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Talks raise hopes of peace in El Salvador, Page 23

Asia	Oct 18	Indonesia	Rp 2500	Peru	S 1500
Bahamas	Dm 1.550	Italy	L 1750	S. Africa	R 6.500
Belgium	Bf 36	Japan	¥ 250	Singapore	S\$ 4.10
Canada	C\$ 70	Kenya	K 100	Sri Lanka	Rs 30
Denmark	Dkr 12.25	Malaysia	RM 4.25	Sweden	Skr 6.50
France	F 100	Norway	Nkr 1.50	Switzerland	Sfr 7.00
Germany	DM 2.20	Philippines	P 100	Taiwan	T\$ 100.00
Greece	Dr 100	Poland	Z 100	Thailand	Th 100
Hong Kong	HK\$ 72	Portugal	Pt 200	USA	\$ 1.50
India	Rs 15	Spain	Ptas 166		

NEWS SUMMARY

GENERAL

Half of German forests 'harmed'

Half of West Germany's forests are damaged or dying as a result of air-borne pollution - largely from sulphur dioxide and nitrogen oxide - up 16 per cent on last year, a government survey said. Only 15 per cent are considered beyond help, however.

Interior Minister Friedrich Zimmermann is to hold talks with other European ministers with a view to agreement on a common anti-pollution measures.

The Christian Democrat state government in Baden-Württemberg called for states to draw up plans to halve the 8.1m tonnes of nitrogen and sulphur oxide pollutants produced annually in the country over the next five years. Page 24.

'100 drowned'

About 100 people were feared killed when a passenger boat sank on its way from Nigeria's western Ondo state to Lagos.

Nobel prize for Tutu

Bishop Desmond Tutu, 59, black South African church leader and anti-apartheid campaigner, was awarded the 1984 Nobel peace prize. Page 2.

Rail lines blocked

French railway authorities called in police to clear two main rail lines linking Paris and Lyons, blocked by demonstrating workers from Creusot-Loire, the bankrupt French engineering group. Page 3.

Kohl on detente

West German Chancellor Helmut Kohl told visiting President Nicolae Ceausescu of Romania that no amount of contact between European countries could improve East-West relations without willingness to compromise from the two superpowers. Page 3.

Turkish offensive

Turkish armed forces launched a fresh offensive against autonomy-seeking Kurdish guerrillas who have killed 18 soldiers in the past two months.

Grenada coup trial

Trial opened of coup leaders accused of murdering Grenada Prime Minister Maurice Bishop and whose takeover provoked the U.S.-led invasion of the Caribbean island a year ago. It was adjourned until November 1. Page 4.

Soviet troops

The Soviet Union has increased its forces in Afghanistan from 110,000 to 140,000 because it has made no significant headway in curbing Islamic insurgency. Western diplomats said. In December 1979 Moscow sent 85,000 troops to help communist ruler Babrak Karmal.

'Ban tobacco ads'

The British Medical Association called on the UK Government to ban tobacco advertising and sponsorship worth more than £120m a year. Page 10.

Terror charges

Portuguese authorities formally charged La-Cel Oselo Sampaio de Carvalho, the engineer of the country's 1974 revolution, and 78 others with belonging to or organising the left-wing terrorist group FP-25. Page 2.

Spain's EEC concern

Spanish Prime Minister Felipe Gonzalez called in EEC ambassadors to receive a message emphasising Madrid's concern at delays in its entry negotiations. Page 3.

BUSINESS

Approval in U.S. for Lear Fan tests

THE LEAR FAN aircraft, which is made from advanced composites, has won technical approval from the U.S. Federal Aviation Administration. That clears the aircraft, planned to go into production in Northern Ireland, for the start of flight tests. Page 8.

STERLING fell 1/2 cent in London an all-time closing low \$1.2035. It also declined to DM 3.775 (DM 3.7925), FFf 11.585 (FFf 11.63), SwFr 3.09 (SwFr 3.1125) and Y200.75 (Y200.75). On Bank of England figures, its trade-weighted index fell to 75.5 from 75.9. In New York it closed at \$1.1995. Page 45.

DOLLAR weakened in London to DM 3.138 (DM 3.141), FFf 9.61 (FFf 9.625), SwFr 2.568 (SwFr 2.5775) and Y248.95 (Y249). Its trade-weighted index eased to 144.1 from 144.2. In New York it closed at DM 3.1460, FFf 9.6370, SwFr 2.570 and Y248.30. Page 45.

COPPER prices rose £325 to £1,043.5 a tonne in London the highest level since early September, in response to continued weakness of sterling. Page 44.

WALL STREET: The Dow Jones industrial average closed 5.19 down at 1,171.77. Section III.

LONDON equities were marked down after sterling's slide. The FT Industrial Ordinary share index fell 15 to 886.6. Section III.

TOKYO stocks were depressed by profit taking. The Nikkei-Dow market average closed down 22.29 at 10,157.89. Section III.

HONG KONG advanced sharply. The Hang Seng index reached a five-month high of 1,020.01 up 20.92. Section III.

GOLD rose \$1.30 to \$340.25 on the London bullion market. In Frankfurt and Zurich it also improved to \$340.25. In New York, the Comex October Settlement was \$338.90. Page 44.

U.S. BANKS may soon be allowed to set up limited service branches across the country as a result of a decision by the Comptroller of the Currency not to renew a moratorium on "non-banks" because of Congressional inaction. Page 4.

WEST GERMAN companies lifted operating earnings 8 per cent to DM 146.5bn (\$48.6bn) in the first half on this year, despite the metalworkers' strike in May and June, laying the basis for more investment in 1985. Page 3.

WEST GERMAN-FRENCH consortium led by Deutsche Babcock AG subsidiary Vereinigte Kesselwerke won a contract from Turkey to supply main sections of a power station.

NORTH KOREA agreed to talks with South Korea on bilateral trade and economic co-operation. Page 6.

PEPSICO, second-largest U.S. soft drinks producer, lifted net earnings in the third quarter to \$118.3m from \$85.2m a year earlier and a loss in the second quarter.

CITICORP, biggest U.S. banking group, suffered a 10 per cent decline in third-quarter income with downturns in all its main businesses. Page 25.

CONTINENTAL ILLINOIS, the U.S. bank saved from collapse by a multi-billion-dollar Government-backed rescue, made a net profit of \$4m in the third quarter, down from \$20m a year earlier. The first nine months of 1984 produced a loss of \$112m.

PERNOD-RICARD, French drinks group, reported a 10.4 per cent drop in first-half consolidated operating profits to FFf 374m (\$38.8m). Page 25.

We apologise for an abnormal number of misprints in this edition because of industrial action by members of the National Graphical Association in the London proof-reading department.

Reagan goes on the offensive as his poll lead narrows

BY STEWART FLEMING IN WASHINGTON



Reagan: hitting out personally has done him more harm than they feared.

PRESIDENT Ronald Reagan has abruptly changed his campaign strategy and begun to hit out personally at Mr Walter Mondale, his challenger for the presidency. The switch in tactics has been forced on Mr Reagan by signs that his lead is slipping in opinion polls. The Harris poll, released yesterday, indicated that Mr Reagan's lead over Mr Mondale had slipped to 9 per cent, the first time during the autumn campaign that a big polling organisation has shown the President with a percentage lead of less than double figures.

The conclusion Mr Reagan's political strategists seem to be drawing from the poll results of the past week is that the President's poor performance in the televised debate with Mr Mondale earlier this month

consistently leading Mr Mondale in presidential preference questionnaires by 15 to 20 percentage points.

His strategists expected some slippage in the wake of the debate, but their initial was to try to defuse the age issue thrown up by the debate by presenting the President in situations where he was able to demonstrate his physical vigour.

This week, however, amid signs that the damage Mr Reagan and Vice-President George Bush have suffered may be more extensive, the President has beefed up his campaign schedule with an extra trip to his home state of California and, ahead of next Sunday's second televised debate with Mr Mondale, begun consistently to attack his challenger by name.

On Monday, during a campaign swing through the South, the only region of the country where Mr Reagan is still holding on to his 20 per cent margin over Mr Mondale in presidential preference polls in key states, the President hit out at Mr Mondale, saying: "I think he is more ready to be our problem than our President."

Yesterday, before a student audience in Illinois, he warned that if Mr Mondale were to become President, the students would go from "the graduation line to the unemployment line."

Until this week, Mr Reagan has conducted what is generally described as a "rose garden" campaign, a reference to the White House grounds. He has been successful in distancing himself from



Mondale: hitting at the issues the hurly burly of the political fray, trying to remain serene and presidential and avoid being pinned down into discussing the issues in any detail. He has even managed to

keep the press at bay, tightly restricting the opportunities for reporters to ask questions.

In the past week, however, as the impact of his poor performance in the TV debate and the questions about his age have begun to be reflected in sinking poll margins, Mr Mondale and Ms Geraldine Ferraro have succeeded in forcing the President out of the rose garden and into the gutter where the real political battles take place. Indeed, partly because of the slurs Mr Bush has allowed to slip out about Ms Ferraro, the campaign has taken on a new edge and bitterness.

For his part, Mr Mondale, with his new-found credibility as a candidate, and Ms Ferraro have been hit-

Continued on Page 24

Opec warns of cuts in oil production to protect prices

BY DOMINIC LAWSON IN LONDON

THE Organisation of Petroleum Exporting Countries (Opec) might cut its official production ceiling to maintain world prices in the wake of Norway's decision to make an effective cut of \$1.50 a barrel in its official price for North Sea crude.

That warning came yesterday from Dr Mana Said al Otaiba, chairman of Opec's market monitoring committee and the United Arab Emirates' Oil Minister.

Dr Otaiba said Opec was "really surprised" by the Norwegian decision. "We are taking this action very seriously."

Opec, which has an official production ceiling of 17.5m barrels a day, will hold an extraordinary meeting of ministers this month if non-Opec producers such as Britain follow Norway's lead.

"We will try to defend the market by all ways and means, even if it means reducing national quotas and the official ceiling," Dr Otaiba said.

The North Sea price plummeted on the spot markets yesterday, with November shipment quoted at \$27.65 a barrel compared with the previous day's \$28.30, itself way below the official price of \$30.

One oil trader said: "UK crude has been traded out of sight. It's been unreal."

It was only with great difficulty that Opec managed to cut produc-

tion to the current 17.5m barrels a day. A further reduction in output would lead to considerable argument in Opec, as each country tried to avoid a cut in its national quota. This would be particularly true of the debtor Opec nations, such as Venezuela and Nigeria.

It had been thought that Abu Dhabi, part of the UAE, would this week decide on a unilateral reduction in the price of its top quality Murban crude, a fear which caused additional weakness in spot prices. Yesterday, however, Dr Otaiba said no immediate decision to cut prices was likely.

The British National Oil Corporation (BNOC) had last night not decided on a reaction to Monday's Norwegian move, although it is expected to follow suit after consultations with UK Government ministers.

Dr Otaiba hoped the UK would hold firm at \$30. In recent months, he said, "Britain has been very cooperative with Opec, and we very much appreciate what it has been doing to hold the oil price."

Oil companies' share prices fell sharply on the London stock exchange yesterday, when an estimate of £700m (\$840m) was wiped off their value.

Editorial comment, Page 22; Analysis, Page 24; Beryl B survey, Pages 13-17

Sterling falls to record low against \$

By Philip Stephens in London and Paul Taylor in New York

STERLING fell to a record low against the dollar in New York last night, dropping through the psychologically important \$1.20 level.

The dollar also resumed its upward spiral against the other leading currencies, only besting briefly the big U.S. banks cut their prime rates by a quarter of a percentage point to 12 1/4 per cent.

Sterling was quoted in late trading at \$1.199, while the dollar closed at DM 3.1460, FFf 9.6370, SwFr 2.570 and Y248.30.

The prime rate cut, while smaller than the half percentage point reduction in the benchmark corporate lending rate announced on Monday by Bankers Trust, appeared to inject a temporary note of uncertainty into the foreign exchange markets over the future direction of U.S. interest rates.

In London, early trading saw the pound drop below \$1.20 as the markets reacted to the collapse of the pit strike talks and speculation that Britain would have to follow Norway in lowering crude oil prices.

Sterling's fall, which took its overall value to the lowest since 1978, seems to have ruled out for the immediate future any cut in Britain's base lending rates.

Trading, however, was relatively light and the pound later benefited from a slightly weaker dollar to recover some of its losses.

Continued on Page 24
Ban on U.S. bank expansion over, Page 4; UK public-sector borrowing, Page 8; Lex, Page 24; Wall Street report, Page 35; Money markets, Page 45

ECONOMISTS STILL HOPEFUL

U.S. industrial production declines 0.6%

BY STEWART FLEMING IN WASHINGTON

INDUSTRIAL production in the U.S. slipped a seasonally adjusted 0.6 per cent in September, the Federal Reserve Board said yesterday. It was the first decline after 21 months of continued expansion.

The downturn will not alter economists' expectations of continued growth in the economy, albeit at the more moderate 3 to 4 per cent pace expected for the third quarter.

The Gross National Product figures on Friday will be watched closely because they will be the last figures for the economy as a whole before next month's presidential election.

There was good news on interest rates yesterday for the Wall Street fixed-interest markets when Dr Henry Kaufman, chief economist at Salomon Brothers, revised his longer-term forecast for interest rates to suggest that rates would not rise as sharply next year as he had previously predicted.

He said he was not now expecting that interest rates would necessarily peak in 1985 if there was no drastic drop in the dollar. He says the revised forecast reflects his view that rates will probably only rise moderately during the first half of 1985.

On Friday the Government is expected to release its first official forecast for real growth in the economy in the third quarter.

The preliminary "flash" estimate released last month showed that growth had moderated from 7.1 per cent in the second quarter to around 3.6 per cent in the third.

The latter estimate, however, was on the basis of incomplete statistical data covering, at most, two months of the third quarter.

UK pit supervisors set strike deadline

By Philip Bassett and John Lloyd in London

LEADERS of Britain's pit supervisors' union, Nacods, are recommending their 15,000 members to strike from a week tomorrow over pit closures - the issue at the heart of the 32-week-old miners' strikes.

A strike by the supervisors would significantly worsen the miners' dispute and might bring the Government closer to moving coal supplies from strike-bound pits to try to avoid power cuts. Pits that have continued to produce coal during the 32-week strike by the National Union of Mineworkers (NUM) might have to close.

Nacods has threatened to strike over the NCB's pit closure programme and other issues, including the board's original insistence that its members must cross NUM picket lines or not be paid. The threat was supported by 82.5 per cent of the members who voted in a ballot.

Leaders of Nacods took a decision on whether to implement the threat yesterday, but have yet to announce the result publicly. It is understood, however, that mass meetings of the union's members will be held in the coalfields next Wednesday, with a recommendation to strike from the following morning.

Nacods is expected formally to tell the NUM, the TUC and the NCB of its decision today. The delay will give the NCB seven days' notice of the start of the action, and Nacods leaders said last night that it would also allow members the opportunity

Continued on Page 24
Editorial comment: A fight to the finish, Page 22

Marietta sells aluminium assets

BY WILLIAM HALL IN NEW YORK AND MICHAEL THOMPSON-NOEL IN SYDNEY

COMALCO, Australia's largest integrated aluminium producer, is paying some \$400m in cash and notes for most of the aluminium interests of Martin Marietta, the U.S. aerospace and building materials group.

The deal will secure for Comalco its first aluminium processing facilities in the important U.S. market. It is acquiring 168,000-tonnes-a-year aluminium smelter at Goldendale, Washington state, a bulk terminal at Portland, Oregon, and a scrap recycling plant and rolling mill in Kentucky.

Comalco, a substantial producer of primary aluminium and fabricated products, is 67 per cent owned by CRA, Australia's biggest mining group, of which Rio Tinto-Zinc Corporation of the UK in turn controls 82.5 per cent.

The competitive position of U.S. aluminium companies has deteriorated in recent years because of high energy costs. Many U.S. smelters have been closed and all the big companies suffered big losses in the last recession. Meanwhile, cheap foreign producers such as Alcan and Comalco are eager to expand outlets for their metal in the U.S., which is the world's largest market for aluminium products. After a brief recovery last year,

aluminium prices have fallen again this year, putting fresh pressure on high-cost U.S. producers, so the shake-up might continue. Kaiser Aluminum and Chemical, the third largest U.S. producer, for example, expects to be in loss in 1984 for the third year in a row. Another small producer, Revere Copper and Brass, has been in bankruptcy for two years.

Martin Marietta's decision to sell most of its aluminium operations reflects its decision to withdraw completely from the business, which it entered in the late 1960s. Although it is a fully integrated producer, it accounted for less than 5 per cent of the U.S. industry, which is dominated by four leading producers which account for 70 per cent of capacity.

A slump in prices and overseas competition has meant that the group's aluminium operations, which accounted for more than half its total assets and 17 per cent of sales last year, has lost over \$10m since it went into the red in 1982. The group had expected a strong recovery in its aluminium business this year, but that failed to materialise and some of its plants have been working at only 50 per cent of capacity since June.

Martin Marietta, which earned \$99m in the first half of 1984, will establish a \$365m after-tax reserve to provide for the losses on its withdrawal from the aluminium business. The loss will be accounted for as a one-time non-recurring charge in its third-quarter results, due out shortly.

In addition to selling its aluminium interests, the company has agreed to sell its stake in a jointly owned calcinated petroleum coke plant at Wilmington, California, to Atlantic Richfield.

Martin Marietta said yesterday that it still planned to proceed with its joint venture with Nippon Kokan KK to produce and market aluminium and titanium products. The venture, which will be 60 per cent owned by the U.S. company, will utilise the latest metal processing technologies of both companies.

Hi! Tech.

Hi! Burroughs. Hi! Pericom.
Hi! Scicon.
And Hi! to Monsanto, Sperry, Apollo, Marconi and the other 120 high-tech companies who've moved to Milton Keynes.

If you're in high technology, why aren't you in Milton Keynes?

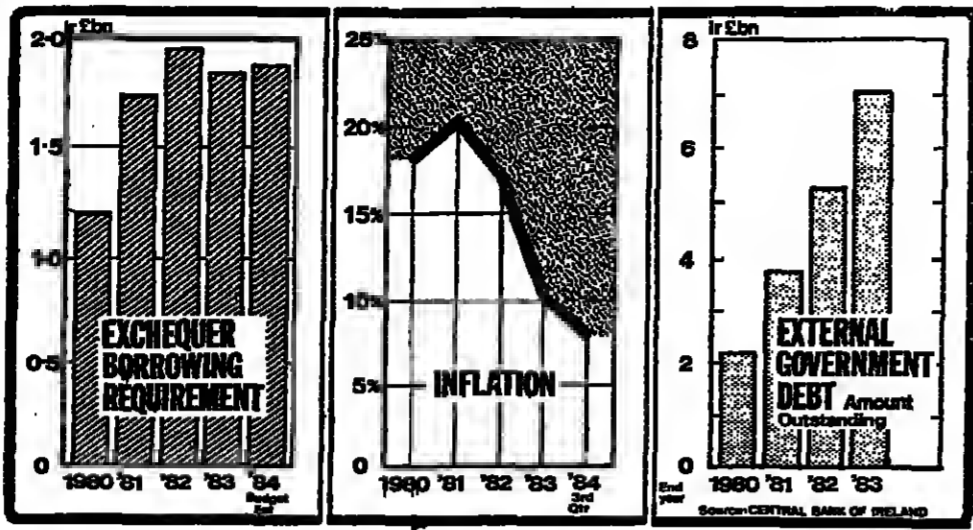
For further information, contact: Commercial Director, Milton Keynes Development Corporation, Saxon Court, 502 Aveybury Boulevard, Central Milton Keynes. MK9 3HS. Tel: (0908) 664666.

Europe	2-3	Editorial comment	22
Companies	25, 27	Enrobonas	46
Americas	4	Euro-options	39
Companies	25, 27	Financial Futures	44
Overseas	6	Gold	46
Companies	26, 28	Int. Capital Markets	45
World Trade	7	Letters	23
Britain	8, 10, 12	Lex	24
Companies	30-33	Management	20
Agreements	44	Market Monitors	35
Appointments	18	Men and Matters	31
Arts - Reviews	21	Mining	45
World Guide	21	Money Markets	44
Commodities	44	Raw materials	44
Crossed	45	Stock markets - Bourses	35, 38
Corrections	45	Wall Street	35-38, 45
		London	35, 39-41
		Technology	45
		Libra Trans	42-43
		Weather	24

EUROPEAN NEWS

Brendan Keenan in Dublin assesses the likely effect of the Government's new economic plan
Optimism still rules as Ireland tries to halt the drift

DEBATE IN the Irish Parliament on the Government's recently published three year economic plan has been marked by furious opposition attacks, with Mr Charles Haughey the Opposition leader, likening the plan to Al Capone's tax returns as an example of honest dealing. His chagrin is understandable, for just three weeks ago it seemed to many that the coalition government headed by Dr Garret FitzGerald might be on the point of collapse. Ministers from the two parties, Fine Gael and Labour, were in loggish talks over economic policy, Mr Haughey had moved ahead of Dr FitzGerald in the opinion polls for the first time and Government backbenchers were openly complaining about lack of direction and ineffective leadership. But publication of the economic plan in a blaze of carefully orchestrated publicity, has changed all that: suddenly, everyone believes the coalition will hold on for the remaining three years of its term. Mr Haughey has had to revise his strategy of doing as little as possible while waiting for high office to fall into his lap. Judged as a political operation, the Government plan has been a remarkable success. But its reception as a strategy to deal with Ireland's pressing economic problems has been more mixed.



The depth of the economic problems, especially the drain on the economy from heavy debt servicing, is revealed in the Government's own targets. Even if they are achieved by 1987, Ireland will still have a public sector borrowing requirement (PSBR) equivalent to 11.25 per cent of Gross National Product (GNP), unemployment of around 16 per cent and the highest taxes in the European Community.

The plan's borrowing targets, notably for current purposes, are much more modest than those Dr FitzGerald set himself when he came to office. It has proved impossible, apparently, to make significant inroads into the Irish public sector, despite the fact that public spending accounts for over 60 per cent of GNP. This failure is partly administrative, but mainly political, with Ministers unwilling to face the implications of making cuts of the necessary

depth. The premier defended this softer approach by saying that the effects on employment would be too appalling to contemplate. Instead, the Government is concentrating on the public service pay bill as a way of at least halting the deterioration in public sector finances. It envisages a rise in the total pay and pensions bill of less than 4 per cent a year over the next three years. The powerful public service

unions have already objected, demonstrating the absence of public consensus on the need for corrective action on the economy. But in private, there is often a more realistic attitude and many of the unions may accept the pay restrictions. There is little room for manoeuvre. The strain of servicing Ireland's \$8bn foreign debt has been exacerbated by the rise of both the U.S. dollar and of interest rates. The Government estimates that repayments will cost almost 10 per cent of GNP annually between now and 1987. The objective of the plan is to stabilise debt repayments as a percentage of GNP, rather than reduce them, but even this is based on the assumption that both the dollar and international interest rates will fall over the next three years. If these assumptions prove optimistic, far harsher measures would be required to achieve even a modest improvement in the Irish economy. Critics of the Government in the Opposition and elsewhere, have attacked the absence of detail in the plan on how the reductions in spending and borrowing are to be achieved. "The projections are plausible but the plan is short on policy," says Mr Joe Durkan, of consultant Davy Kelleher McCarthy. The Irish National Planning

Board, which laid the groundwork for much of the economic plan, recommended that domestic credit expansion should be the key operational target for Irish monetary policy and should be set at the level which financed the growth in the demand for money. The Government's plan is silent both on this question, and on how PSBR is to be financed, leaving some economists questioning the basis on which the projections of a deficit on the current account of the balance of payments averaging 3.5 per cent of GNP were reached. Such arguments have been outweighed however by the general feeling that a sense of direction has at least been restored. On balance, industrialists are happy with the noticeable improvement in the psychological climate, even if the tough decisions implicit in the proposals have yet to be taken. It is possible that the old disagreements and indecisions in the coalition could re-emerge when the tough decisions have to be made. No one knows how the Government will react if its assumptions do prove optimistic. Dr FitzGerald has not managed to live up to his earlier promise of turning the economy round, but at least he appears to have halted the drift.

Bishop Tutu wins Nobel peace prize

BY FLEMING DAHL IN OSLO
 BISHOP DESMOND TUTU, head of the South African Council of Churches, has been awarded the Nobel peace prize for his role as "a unifying leader figure in the campaign to resolve the problem of apartheid in South Africa." The Norwegian Nobel Committee said that the means by which Bishop Tutu's campaign is conducted is "of vital importance for the whole of the continent of Africa and for the cause of peace in the world." The Norwegian Nobel Committee said that the means by which Bishop Tutu's campaign is conducted is "of vital importance for the whole of the continent of Africa and for the cause of peace in the world." Bishop Tutu became the first black General Secretary of the South African Council of Churches in 1978. He also holds honorary doctorates at a number of leading universities in the U.S., Britain and West Germany. He was born in 1918 in Maseru, Transvaal, and was educated at Johannesburg Santa High School. Later he studied theology and was ordained priest in 1960.



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Medicine award prompts German soul-searching

BY RUPERT CORNWELL IN BONN
 THE AWARD of the Nobel Prize for medicine to a German — the first such triumph since 1973 — has justifiably led to much national rejoicing in West Germany. Yet it also prompts a more sober consideration. Dr Georges Koehler, a 58-year-old career scientist, was honoured along with a Dane and an Argentine for his work on genetic engineering and the immune system. He was born in Munich, yet perhaps more significant is the fact that the crucial part of his endeavours has been carried out not in West Germany itself, but at Cambridge in the UK and in Switzerland. Indeed, close study shows that of the dwindling number of Germans who have won Nobel Prizes this century, at least in the field of medicine, an increasing proportion have worked abroad. The winner in 1901 of the very first prize for medicine (in this inflationary age now worth some £150,000) was a German, Emil von Behring, for his discovery of vaccines against diphtheria and tetanus. But of the 12 German-born laureates who have followed him, only three have been citizens of the Federal Republic. And medicine is not untypical of the other scientific disciplines. Not surprisingly, many people, including a good few commentators yesterday morning, see this apparent weakness of one of the world's most industrialised countries in the field of pure science as a basic reason for the supposed backwardness of West Germany in certain high technology fields. Admittedly, after endless soul-searching on the issue in recent months, the climate is changing. But the award to

Dr Koehler is no proof that he has conclusively done it. So what is missing? Certainly not money. Per capita, research and development spending in West Germany is second only to that in the U.S. Yet the number of Nobel Prize winners continues to fall by relative terms, as does the German balance in international patent exchanges. The reasons more probably lie in history and in modern German attitudes. Two world wars destroyed many of the country's best and brightest. A further loss of talent stems from the tragedy of German Jews, who previously did so much to leaven and stimulate the country's culture. Einstein was but the most illustrious of those forced to leave by Hitler's persecution. Three of the most recent winners of the medicine prize were emigrants to the U.S. In a recent essay, Dr Karl Steinbuch, now a professor at Karlsruhe University but with experience at Stanford, California, set out what he thinks are the main obstacles to fruitful scientific research in West Germany today. He blames shortcomings of the educational system and an inadequate "climate to perform." Universities have "become like conveyor belts, whose pace is set by the slowest." Then again, he writes, pressure to "justify" creativity militates against inventiveness and imagination. Dr Steinbuch may or may not be right; but now that the problem has been identified, old-fashioned German thoroughness will do the trick. But soul-searching on the issue in recent months, the climate is changing. But the award to

Hero of Portugal's revolution accused of terrorism

BY DIANA SMITH IN LISBON
 THE man who engineered Portugal's bloodless 1974 coup, Lt-Col Otelo Saraiva de Carvalho, has been formally accused of founding, promoting and directing a terrorist organisation formed in 1979. In a 200-page indictment, Portugal's Public Ministry, the equivalent of the public prosecutor, accuses Lt-Col Saraiva de Carvalho of founding and participating in highly secret meetings of the Forças Populares 25 de Abril (FP 25), an urban terrorist group that has claimed responsibility for the assassination of several businessmen and a number of bomb explosions since 1980. Lt-Col Saraiva de Carvalho, usually known as "Otelo," was arrested in early summer with 50 other suspects in the FP 25 case. The indictment lists the terrorist actions of which the FP 25 are suspected but does not attribute them to individual members. Otelo's arrest last June stunned the Portuguese who could not believe that the hero of 1974, whose popularity led him to be a presidential candidate in 1976, could involve himself with urban terrorism and murder. But Otelo has slowly fallen from grace. A political moderate and seller of shares in Bernini Cornfields IOS pyramid investment scheme in his youth, he shifted far to the Left subsequently and headed a revolutionary movement that tried to seize power in November 1975. He and his followers were prevented by moderate troops from seizing power, and Otelo underwent the first of many arrests connected with his

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E. German-U.S. accord near on war claims

By Leslie Collett in Berlin
 THE U.S. and East Germany have agreed on the "outline" of a claims settlement awarding damages to former Germans, now living in the U.S., who lost property in East Germany under the Nazis and after the Second World War. Settlement of the claims could lead to improved relations in the view of U.S. diplomats. Washington has linked payment of the claims to an improvement in access for East German goods to the U.S. market. East Germany is eager to obtain trade concessions and U.S. diplomats say that if the claims issues is resolved the Administration will consider lower tariffs for some East German products. Mr George Shultz, the U.S. Secretary of State, had talks with his East German counterpart, Herr Oskar Fischer recently, which he described as "positive." U.S. diplomats remarked at the time that Herr Fischer did not criticise the deployment of new medium-range missiles in West Germany but instead noted that "more missiles do not bring more security."

The U.S. Government, representing more than 2,000 claimants, has presented a lump sum claim of \$71m to East Germany. In addition, the Conference on Jewish Material Claims (CJMC) has called for more than \$100m. Whatever sums are finally agreed, however, are likely to be well below those. Besides the U.S., 20 other countries have presented claims on behalf of their citizens. Finland was the first to settle last week when it signed an agreement accepting FM 6.1m (£1.6m). The CJMC, which is negotiating separately with East Berlin, has said its demand is a "symbolic one" as it claimants have received restitution from West Germany. It wants East Germany to recognise that it bears a moral responsibility for what was done under the Nazis, although East Germany denies it is a successor state to the Third Reich.

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EUROPEAN NEWS

EEC counts cost of U.S. curbs on technology transfer

BY PAUL CHEESEBRIGHT IN BRUSSELS

EUROPEAN COMMUNITY governments are to examine the impact on their national companies of a series of measures taken by the U.S. to restrict the transfer of technology.

Their studies will partially determine whether the Community will adopt policies to fend off U.S. pressure in this area.

An informal accord that U.S. policies could be hindering technology transfer was reached by industry ministers discussing the question over dinner in Luxembourg on Monday evening. But they were less certain that the matter is one which can be dealt with at EEC level.

The matter was put to ministers by Viscount Etienne Davignon, the European Commissioner for Industry, who returned to a theme he first addressed in April. Then he said: "We are going into a major fight with the U.S. which will make chicken-feed of our agricultural dispute."

He urged governments to act with speed to compile national inventories of U.S. measures on technology transfer with assessments of how they had affected national interests.

'Improvements needed' in Lome aid and trade pact

BY OUR BRUSSELS CORRESPONDENT

SOME IMPROVEMENTS would have to be made in the European Community's aid and trade pact with 64 African, Caribbean and Pacific (ACP) states if a new deal is to be signed in Lome, the Togolese capital, by December, M. Edgar Pisani, the European Commissioner for Development, said yesterday.

However, he held out little prospect of agreement by the 10 EEC members on a higher total aid package than the Ecu 7bn (£4.2bn) which was rejected by ACP negotiators last week.

"I don't think it is for the Commission to make a new proposal," he said. "A consensus has to emerge in the Community, composed around a new figure. But the Community has taken the position that the figure is not negotiable: we were prepared to negotiate the text, but not the figure."

Spain tries to hasten talks

BY DAVID WHITE IN MADRID

THE SPANISH Prime Minister, Sr Felipe Gonzalez, yesterday stepped up the pressure on EEC member governments to bring negotiations on Spanish and Portuguese entry to a rapid conclusion. Ambassadors of the Ten were called in to receive a message to their governments. The move follows the collapse of the last ministerial negotiating session in Luxembourg on October 3, which Spain called off because of the lack of participation by member countries, still at odds among themselves on some of the terms to be offered.

Sr Gonzalez's initiative coincided with talks in Brussels yesterday between Sr Carlos Solchaga, the Spanish Industry Minister, and Viscount Etienne Davignon, the European Commission vice president on two of the outstanding issues—steel and the dismantling of tariffs on industrial goods imported into Spain.

Creusot workers cut French rail links

FRENCH railway authorities yesterday called in the police to help clear the two main tracks linking Paris with Lyons which were blocked by demonstrating workers from Creusot-Loire, the bankrupt engineering group, writes David Housego in Paris.

The workers, protesting against proposed redundancies under the group's rescue package, halted traffic in the morning on the high-speed line to Lyons. In the afternoon they also blocked the main line southwards, effectively halting all traffic on the busiest axis in the rail network.

Le Creusot, the main industrial plant for the group, lies close to both railway lines in Burgundy. The action was supported by all the main unions. But it also reflects the growing militancy of the Communist-led CGT which, now that the Communists are no longer members of the government, is parading itself as the champion of resistance to cuts in the industrial workforce.

The rescue package involves a loss of 2,800 jobs.

Swedish pay demand

Leaders representing more than 1m state and local authority workers in Sweden have demanded a renegotiation of the national pay deal they agreed during the spring, Kevin Dene reports from Stockholm. The move threatens the Swedish government's ambition to hold the rise in labour costs next year to only 5 per cent—the key element of its anti-inflationary programme.

Worker managers

Greece yesterday unveiled plans for worker participation by the end of the year in the management of the state-owned Public Power Corporation, the Hellenic Telecommunications Organisation and the Greek Railways Organisation, writes Andriana Ierodiakonou in Athens. The aim is to increase productivity and improve the quality of services.

Austrian overture

Herr Leopold Gratz, Austria's Foreign Minister, arrived in Poland yesterday for a three-day visit, the first by a senior Western official since the imposition of martial law in December, 1981, writes Christopher Bobinski in Warsaw.

Valletta sweep

Malta is threatening to take to the UN its dispute with Britain over clearing unexploded war ordnance from Valletta's Grand Harbour, writes Godfrey Grima. It has been trying since 1978 to force Britain to sweep the harbour, where a number of infrastructural projects are being built.

Italian TV shutdown

Magistrates yesterday dealt a potentially serious blow to Italy's three main private television networks by closing down their transmission in three regions of the country, on the grounds that they are in breach of a law giving the state sole right to operate a national network, writes James Buxton in Rome.

West German company earnings rise by 8%

BY JONATHAN CARR IN FRANKFURT

WEST GERMAN companies boosted their operating earnings in the first half of this year despite the metalworkers' strike in May/June, laying the basis for more investment spending in 1985.

The latest monthly report of the Bundesbank released today estimates that gross entrepreneurial income in the first half totalled DM 146.6bn (£88.6bn), 8 per cent more than in the same period last year. The increase means that the recovery in company earnings has now been continuing steadily for two and a half years, after the trough of the deep recession years 1980-81.

The central bank notes that the latest improvement is remarkable since the seven-week strike clearly slower turnover growth—to a rate of 2.5 per cent in the first half after one of 3.5 per cent in the preceding six months.

The vehicle industry alone estimates that it lost production of 423,000 cars and commercial vehicles worth about DM 10.5bn (£2.7bn) because of the stoppage. It is now striving to make up for lost ground.

However, the Bundesbank figures show that enterprises' overall costs rose less quickly in the first half than they did in the preceding six-month period—ironically, partly because of the strike. Labour spending, much the biggest single factor in domestic costs, was up by just 0.4 per cent after 2.5 per cent before. Not only did companies save on the wages not paid to striking workers, but many of them also failed to replace employees who left during the stoppage.

Against that, "imported costs" jumped by 6.2 per cent—the sharpest rise for years—not least because of the fall of the D-Mark against the soaring U.S. dollar.

The Bundesbank notes that company spending on machinery, equipment and buildings in the first half was up by only 2.5 per cent to DM 88.5bn against the same period of 1983. But it explains this in part by the end-1983 expiry date for a government-sponsored bonus scheme, which caused many companies to bring orders forward to qualify.

The central bank points out that domestic orders for investment goods in July-August were no less than 15 per cent higher than a year earlier. Moreover a poll taken after the strike showed companies planned to boost investment spending in 1985 too. This underlying strength of domestic demand, accompanied by steadily rising orders from abroad will, it is felt, support the overall economic upswing well into next year.

Kohl says superpowers must be ready to compromise

BY RUPERT CORNWELL IN BONN

CHANCELLOR Helmut Kohl spelt out yesterday the plain reality that no amount of European countries can do much to improve East-West relations without a genuine willingness to compromise on the part of the two superpowers.

He delivered this implicit rebuke to President Nicolae Ceausescu during his two-day state visit here. The Romanian leader has long insisted that it was up to European states directly affected by the deployment of new nuclear missiles to negotiate among themselves. He also wants them brought into the existing forums for talks.

But the Chancellor emphasised during a luncheon in honour of his guest: "We are dealing with weapons systems of the two superpowers. They have to show the willingness to compromise and to agree."

His words are an indication of how Bonn has been brought down to earth by the cancellations—engineered by Moscow—of the trips here this autumn planned by the leaders of both East and Germany and Bulgaria. They also reflect the awareness that nothing much is likely to move between Washington and Moscow until the U.S. presidential elections are out of the way—and that the idiosyncratic Mr Ceausescu is hardly likely to be a go-between enjoying the special trust of the Soviet Union.

None the less, the Government is well satisfied by the visit, not least because it has given the opportunity to restate the West German position on issues between East and West. Herr Kohl yesterday again rejected the ceaseless charges from Moscow of West German "militarism" and "revanchism" as untenable, unjustified nonsense. He stressed Bonn's treaty commitments with the East, that existing European frontiers were inviolable.

Air space 'violations' cool Greek-U.S. relations

BY ANDRIANA IERODIAKONOU IN ATHENS

THE ICE in relations between the Reagan Administration and the Greek Government grew thicker yesterday, at the end of an official visit to Athens by the U.S. Defence Under-Secretary, Mr Richard Perle.

Trouble arose over a surprise Monday-night meeting between Mr Perle and the Greek Prime Minister, Dr Andreas Papandreu. Mr Perle, who paid a flying visit to U.S. military installations in Crete over the weekend, had been expected to limit his contacts in Athens to the Foreign Ministry.

The U.S. embassy in Athens reacted with thinly-veiled irritation to a Greek Government statement issued after the Perle-Papandreu meeting, which said that the U.S. official had been "summoned" by the Prime Minister in order to be informed of "the displeasure of the Greek Government and people" over violations of Greek air space by American fighter jets during a Nato exercise in the Aegean last week.

Athens formally protested to both the U.S. and Turkish governments about the violations last Friday. The Greek civil air authority closed a main air corridor in the Aegean for two days during the Nato exercise, saying that it was unsafe for civilian traffic.

A U.S. embassy reply said that the meeting between the two men had taken place "in an entirely friendly atmosphere" and had been arranged "to enable the discussion of a wide range of matters of mutual interest."

Washington's irritation with the Greek Government peaked recently when Dr Papandreu told deputies that the South Korean airliner shot down last year had been on a spying mission for the CIA. The U.S. is also upset over a forthcoming visit to Warsaw by the Greek Prime Minister, who will be the first Nato leader to visit Poland since martial law was imposed there.

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GOOD PEOPLE MAKE GOOD PARTNERS

AMERICAN NEWS

Economics may dictate the choice, reports Canute James

Reluctant Grenada prepares to vote

A VENEER of calm lies over Grenada today. Only a few reminders are left of the island's recent political and military trauma—the rusting carcasses of two small Cuban aircraft at the small Pears Airport, the joint patrols of U.S. and Caribbean troops and the gutted remains of the office of Mr Maurice Bishop, the Prime Minister killed in the October coup.

But the calm veneer is very thin. Grenada's 100,000 people, who suffered a bloody coup staged by the hard line faction of Mr Bishop's Administration, followed by an invasion by the U.S. have not completely recovered from the trauma.

The tension is reflected in the battle among the grand artists, at once welcoming the Americans and telling them to go home, and in the reluctant but certain march towards a general election before the end of this year—an election which, according to two public opinion polls, most Grenadians do not want.

Registration of voters has been completed and on polling day, December 3, 47,000 electors will be faced with a potentially bewildering array of nine parties offering candidates for 15 parliamentary seats. "We are committed to a general election before the end of this year, and we are not going to change these plans," said Mr Nicholas Brathwaite, head of the interim administration

DRAMATIC scenes were played out yesterday at the hearing of the Supreme Court of Grenada, writes Hugh O'Shaughnessy from St Georges.

Nineteen leaders of the Revolutionary Military Council, who ruled this island for six days last October, appeared charged with the murder of Maurice Bishop, the former Prime Minister and 10 of his associates just before the U.S. invasion of October 25.

The 19 included Hudson Austin, the former General of the Armed Forces and head of the RMC, and Bernard and Phyllis Court, who led the opposition to Bishop.

The defendants, 18 men and Mrs Court, answered the first murder charge as it was read out by proclaiming that they did not recognise the

authority of the court and did not want to be tried "under foreign military occupation." They all refused to plead as the other 11 charges were put to them.

During the proceedings Mrs Court appeared to faint and was carried out by police women. Mrs Court shouted that she had been on hunger strike for six weeks. From beside her in the dock her husband accused Mr Lionel Maloney, the Barbadian-born Commissioner of Prisons, of being "a criminal" who is maintaining "a reign of terror at the Richmond Hill prison."

Chief Justice Archibald Nedd ruled that the proceedings be adjourned until November 1 before which he would rule on a motion already tabled by the accused that the court was not empowered to try them.

together in a coalition which demonstrates the level of big power interest in the island's government.

Grenadian memories of Sir Eric's days are still fresh. There was his "Mongoose gang" which battered and bruised political opponents, there were repeated charges of corruption, national embarrassment at his well-argued requests to the United Nations to investigate flying saucers and at his penchant for collecting knighthoods and similar decorations.

Scepticism has greeted Sir Eric's recent statement that if re-elected there would be no vendettas, not even against the surviving members of the New Jewel Movement which overthrew him. Opinion in neighbouring Caribbean islands, and in Washington is that the re-election of Sir Eric would again create fertile ground for a resurgence of support for the Socialists.

For their part, Mr Bishop's ideological heirs are still uncertain whether they will field candidates. They still have some support among young people but are expected to have difficulty in carrying those constituencies which they won easily in the last election in 1976.

A victory by Messrs Radix and Louison, would represent a damaging setback to Washington, which clearly does not



want to lose to the Left what it now considers a cornerstone of its crusade against Communism in Central America.

This explains the creation of the coalition group the New National Party, made up of groups which have nothing in common except that they are neither of the radical Right of Sir Eric nor the Left of the New Jewel Movement.

It is led by Mr Herbert Blaize, veteran opponent of Sir Eric, and one-time Chief Minister.

Public opinion in Grenada appears to be swinging towards the NNP, an unknown political quality but the least risky of the three on offer. The birth of the NNP, however, was somewhat inauspicious—one of the original four parties immediately pulled out—and many Grenadians are doubtful

whether it would hold together for long, even if it won an election.

Post-election uncertainty worries most Grenadians. This is what Sir Eric will wait for if his party does not win, they say.

The former Prime Minister's senior aides will neither confirm nor deny that their leader, if he does control the Government, will change the island's constitution to that of a republic within the Commonwealth, abolish the post of Governor General, and install himself as executive president.

In Grenada, Barbados and Washington, the smart money is on the coalition. If it triumphs, it can expect significant economic backing from Washington, and this is hardly an offer which the increasingly impoverished island can refuse.

Duarte urges rebels in El Salvador to change course

BY DAVID GARDNER IN SAN SALVADOR

PRESIDENT Jose Napoleon Duarte of El Salvador yesterday urged left-wing insurgents to change their strategy to take account of the wide-ranging reforms he claimed had taken place in the ownership of land, in the financial system and in the army.

Sr Duarte's call followed his Government's first-ever high-level meeting with insurgent leaders in the northern border town of La Palma on Monday, at which a joint peace commission was set up and it was agreed to hold a further meeting in the second half of next month.

The commission with four members from either side under church mediation, is to discuss detailed peace proposals. The five and a half hours talks produced no ceasefire agreement, and instead, both sides undertook to try to "humanise the conflict."

This was understood to mean that attempts would be made to limit civilian casualties—the majority of the civil war's 30,000 deaths have been non-combatants—and to pursue humane treatment to prisoners and the wounded.

Sr Duarte's remarks, made in a broadcast to the nation yesterday morning, appeared designed to forestall criticisms from the far Right of his initiative.

Sr Duarte stressed in the broadcast that he had not and would not, stray one millimetre from the constitution in his search for peace.

Central to the Duarte proposals is that the rebels agree to take part in the electoral process after which they would benefit from a general amnesty.

The insurgents have up till now called for a share in power, in a provisional, broad-based government before new elections.

Sr Duarte said that the fact that "subversive leaders" could enter the country unhindered was evidence that the system they have rebelled against had changed.

But despite the emerging war of words that has followed the La Palma setting there was widespread recognition here yesterday that El Salvador had taken its first real step towards peace, since it collapsed in civil war in 1980.

Symbolic of a change in atmosphere, was the release coinciding with the La Palma meeting of Sr Hector Rocio, leader of the power workers, and nine of his colleagues. The power workers had been held without trial for four years on suspicion of collaborating with the guerrillas.

Talks raise hopes of peace, Page 23

Canada rules out mediation

By Bernard Simon in Toronto

THE NEW Canadian Government will not try to act as a mediator between the U.S. and the Soviet Union, Mr Joe Clark, External Affairs Minister, told Mr George Shultz, U.S. Secretary of State, during two days of wide-ranging discussions which ended in Toronto yesterday.

A senior Canadian official said Mr Clark had stressed that Canada "adopt a very pragmatic approach" in arms control talks, implying that the Conservative Government elected last month will not seek to emulate the much-publicised peace initiative of former Prime Minister Pierre Trudeau.

The meeting between Mr Clark and Mr Shultz is the first since the Government took office and follows a discussion last month between President Reagan and Prime Minister Brian Mulroney.

Mr Clark told Mr Shultz that the Canadian Government has not yet formulated specific policies on several key bilateral issues of interest to the U.S. including foreign investment and energy.

None the less, he said that new investments in Canada will continue to be monitored.

Other bilateral topics discussed by the two men included fisheries, trade matters and environmental concerns, especially acid rain.

Caterpillar lays off 2,450

By Terry Dodsworth in New York

CATERPILLAR, the U.S. earthmoving and construction equipment company, yesterday followed up its recent dividend cut by laying off 2,450 workers in its U.S. plants—around 5 per cent of its domestic workforce.

The layoffs were described by the company yesterday as indefinite which means that recalls will be based entirely on prevailing business conditions. They will begin in December and run through February, involving workers at its plants in Aurora and Joliet, Illinois, and Davenport, Iowa.

Caterpillar's decision was simply signalled in the statement accompanying its dividend cut, when it said it was aiming to reduce its production schedules and speed up previously announced plant closures.

It nevertheless underlines the depth of the competitive problem the company faces, along with the extensive discounting in the market, which was not recovered strongly as had been forecast.

For the mid-West heavy engineering belt it is also a further blow after recent announcements of layoffs at John Deere, the agricultural equipment manufacturer and similar decisions at International Harvester.

Comptroller lifts ban on U.S. bank expansion

BY PAUL TAYLOR IN NEW YORK

U.S. BANKS may soon be allowed to set up limited service branches across the country as a result of a controversial decision by the U.S. Comptroller of the Currency not to renew a moratorium on the setting up of so-called "non-bank banks" because of Congressional inaction on the issue.

Mr C. Todd Conover, the Comptroller, said he felt compelled under existing law to begin processing the 329 applications already filed by bank holding companies to set up nationwide networks of limited service branches.

The planned limited service branches, which either will not take deposits or will not accept commercial loans, will escape the usual U.S. restrictions on interstate banking because they do not qualify as full service "banks."

Mr Conover, who has long supported moves towards broad-based new U.S. banking legislation, which would close down the non-bank bank loophole, imposed the moratorium in an effort to encourage Congress to decide the issue.

Last week, however, Congress adjourned divided over banking legislation and without agreeing a Bill which would have closed the loophole.

The Comptroller said a further extension of the moratorium "would amount to usurpation of Congress's legislative authority."

His office is expected to begin processing the applications, which have flooded in from virtually every major U.S. banking group, within the next few weeks. However, it remains unclear whether banks receiving approval will set up offices.

IRA support criticised

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT, IN LONDON

SIR GEOFFREY HOWE, Britain's Foreign Secretary, yesterday strongly criticised Americans who supported the IRA's terrorist activities by providing financial aid.

Sir Geoffrey said that those who provided funds to the IRA through any of their front organisations in the U.S. in the profoundly mistaken belief that they were romantic nationalists fighting for an honourable cause, should rid themselves of such illusions.

"Let them make no mistake. They are supporting and promoting terrorism," Sir Geoffrey said in a speech to the American Chamber of Commerce in London.

In Beirut and in Brighton, where the U.S. and Britain had witnessed the ghastly effects of terrorism, the perpetrators were people who had long ago given up democracy and discussion and were trying to impose their will by terror.

Both groups challenged the values which were seen as fundamental in Britain and the U.S. alike.

Turning to U.S. economic policy, the UK Foreign Secretary said that it was worrying to other countries that a high budget deficit had been allowed to persist with the clear result of high interest rates and a steadily strengthening dollar on the exchange markets.

On defence, Sir Geoffrey said that it was not true that Europe shouldered less than its fair share of the Nato defence burden. The figures spoke for themselves. The European percentage of Nato's expenditure rose from 27.5 per cent in 1971 to 31.8 per cent in 1982.

Of the available forces in Europe, Europeans contributed 85 per cent of the combat aircraft; 90 per cent of the manpower—about 300,000 men—and 95 per cent of the armoured divisions and artillery.

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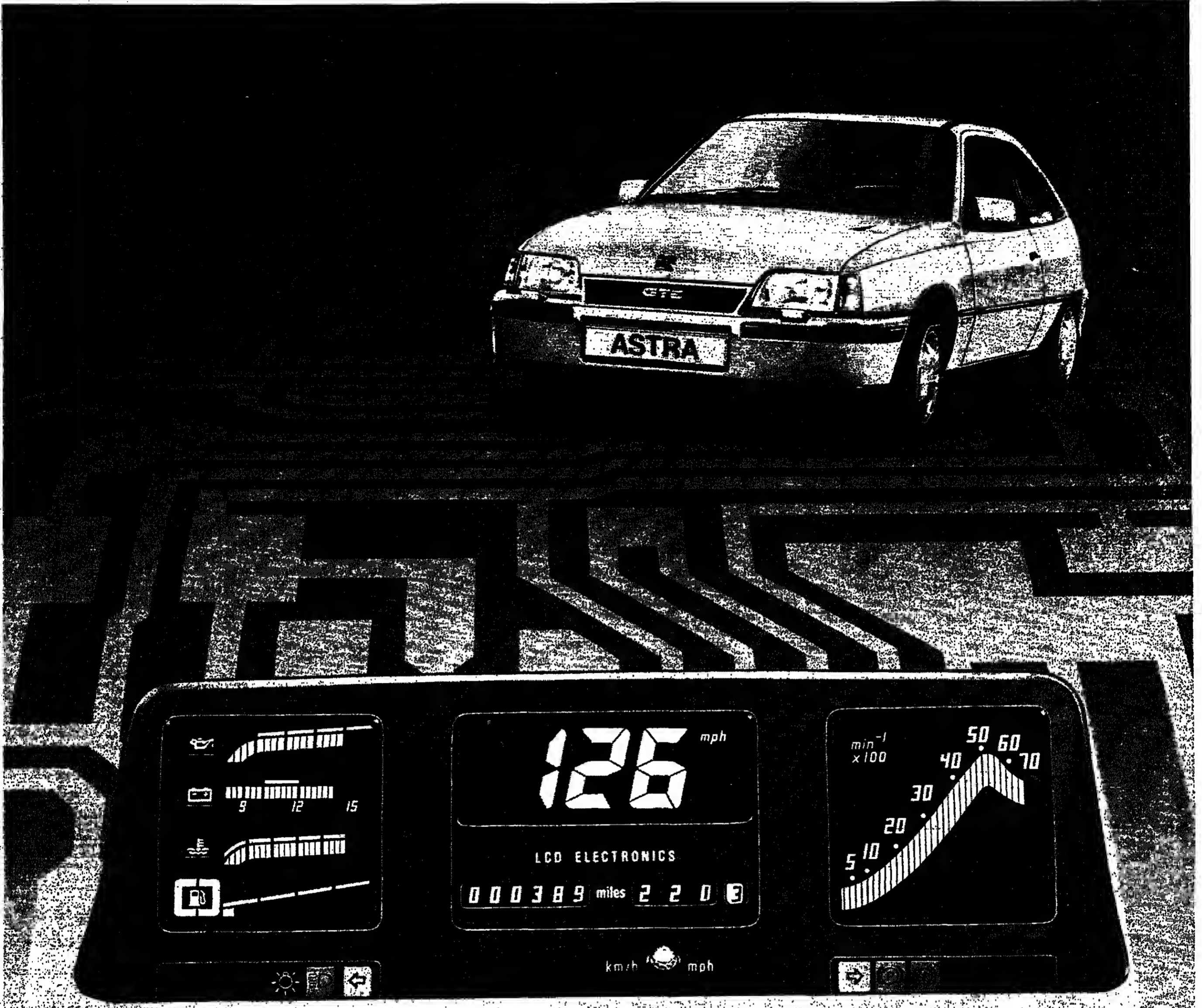
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OVERSEAS NEWS

Pledge soon on land rights for Aborigines

By Michael Thompson-Noel in Sydney

AUSTRALIA'S Labor Government said yesterday that in the run-up to the country's general election on December 1, it would spell out its stand on the vexed issue of Aboriginal land rights.

Mr Clyde Holding, Aboriginal Affairs Minister, stated that a "statement of principles" would follow talks with mining, farming and Aboriginal groups.

Mr Bob Hawke's Labor Government is keen to improve the lot of black Australians, many of whom, said Mr Holding, "live in conditions far worse than those found in Third World countries."

However, leading mining companies are growing restless with the Aborigines' push for land rights, which could feature as a prominent election issue.

Mr Hugh Morgan, chief executive of Western Mining, has claimed that if the principles underlying land rights legislation in the Northern Territory were extended to the rest of Australia, there would be "no exploration activity."

About one-eighth of Australia's land surface is now designated as Aboriginal territory.

Datuk Harris

AN ARTICLE (June 13) about economic developments in Sabah stated that Datuk Harris had been accused of benefiting personally and excessively from sales of land from some of Labuan's key projects.

We are pleased to confirm that the accusations were unfounded and apologise to Datuk Harris for any embarrassment which he may have been caused.

Zimbabwe opposition rallies supporters for next year's election Nkomo's last chance to make his mark

BY TONY HAWKINS IN HARARE

MR JOSHUA NKOMO, the veteran Zimbabwean nationalist leader, has launched a final attempt to win power at next year's general elections with tough criticism of Zimbabwe's ruling Zanu-PF Government.

Mr Nkomo's Zanu party wound up its first post-independence congress last weekend with an outright rejection of Prime Minister Robert Mugabe's plan for a one-party State.

Using language about the Government not heard since 1980, Mr Nkomo lashed out at the Zanu leadership whose hands, he said, were "stained with our blood. If the Zanu leadership intend to behave like fascists, we cannot call them anything but fascists," he added.

Mr Nkomo's minority Zanu (which holds 19 of 80 common roll seats in Zimbabwe's 100-member House of Assembly) called for a united front to help resolve the country's escalating economic difficulties. But Zanu made it abundantly clear that it was not prepared to purchase unity by agreeing to a Zanu-dominated one-party State.

Zanu leaders have long urged a merger with the ruling party and opposed a Zanu takeover, but the tone of Mr Nkomo's comments suggests that there is little room for serious talks about such a merger, at least until after the elections at which Mr Nkomo hopes, for the last time, to stake his claim for power.

The attendance of 6,000 members at the party congress followed Zanu's convincing victory in Bulawayo local government elections earlier this month, when the party retained its stranglehold over the country's second largest city.



The victory must have helped rebuild the opposition's morale, which has deteriorated since losing the independence elections in 1980 and seeing Mr Nkomo and his top aides sacked from the "reconciliation cabinet" more than two years ago.

Mr Nkomo was re-elected unopposed as party leader with Mr Joseph Msika, formerly Secretary General, appointed Deputy President of the party in succession to Mr Joseph Chitsamano, who died earlier in the month.

The strong congress turnout, Zanu's victory in Bulawayo and Mr Nkomo's new-found aggressiveness suggest that Zanu is still a powerful political force.

However, it faces massive logistical and organisational difficulties at next year's elections—the first since independence—due to be held in March or April.

The independence elections were held on the basis of proportional representation without an agreed voters' roll. This time seats will be determined on a Westminster constituency style basis and voters must register.

Zanu's support is largely regional and tribal with Mr Nkomo having won almost all his 20 seats in parliament in Matabeleland in western Zimbabwe and in the neighbouring Midlands province. The party has minimal support in the east and north.

While Zanu may well carry all the Matabeleland seats, Zanu's power base in the Midlands may be reduced.

Organisationally the party has suffered major setbacks, including being banned from holding public meetings in parts of the country after the disturbances earlier this year. In rural Matabeleland, party organisation has come under strain due to the dissident campaign against the Government.

The dissidents, many of them former members of Mr Nkomo's pre-independence Zanu guerrilla army, have refused to accept the 1980 ballot box verdict which left them in opposition. Government ministers repeatedly accuse Mr Nkomo and his party of supporting the dissidents but the Zanu leader has denied any link with the young rebels and appealed for them to lay down their arms.

A further organisational disadvantage is the fact that three of Mr Nkomo's top lieutenants—including the man most likely to succeed him as Zanu leader, Mr Dumiso Dabengwa—have been detained without being convicted in court for more than two years. Top posts at the congress all went to party stalwarts and there are no signs of any new leaders emerging from within the party.

Party unity has been strained by the fact that some Zanu politicians have retained seats in Mr Mugabe's cabinet despite the dismissal of Mr Nkomo and other senior party men. Mr Cephas Msipa, the Minister of Water Resources, is the most senior such "bridge" figure

Weinberger in talks on Israeli armaments

By David Lemon in Tel Aviv

MR CASPAR WEINBERGER, the U.S. Secretary of Defence, discussed Israel's armament programme for the coming four years, the supply of advanced U.S. weapons, and additional assistance for Israel's troubled Lavi fighter aircraft project, during meetings in Tel Aviv yesterday.

Mr Weinberger may also approve the largest-ever purchase by the U.S. of Israeli military equipment. According to reports from Washington, the deal, which could earn \$700m (5883m), for Israel, involves the supply of 4,400 Israeli-made 120 mm mortars and 5m shells for the U.S. army.

The Israelis have also been emphasising to the visiting U.S. officials the high cost of maintaining Israeli military preparedness, especially at a time of economic constraint within the country.

Gen Menahem Meron, director-general of the Defence Ministry, said that the main thrust in these talks will be the economic aspects of defence.

In addition to seeking a substantial increase in U.S. military grants next year, from the current level of \$1.4bn, the Israelis also want Washington to permit them to spend part of the aid on the development costs of the Lavi fighter aircraft within Israel.

The Lavi project has run into design problems, according to officials in Washington. The difficulties centre on the design of the wings and the engine outlets. Overcoming these problems may require substantial additional funds for the project, originally budgeted to cost \$1.5bn.

The Lavi is due to enter service with the Israeli Air Force by the end of the decade when it will replace the ageing U.S.-supplied Phantom and Skyhawk jets.

Meanwhile, Mr Yitzhak Moda'i, the Finance Minister, said he expects that the new U.S.-Israel joint economic development group will meet in two weeks to discuss various issues, including the details of the U.S. offer to postpone \$500m in Israel's debt repayments.

The Minister said that the debt deferral issue has been discussed during Prime Minister Shimon Peres's visit to Washington last week.

"The Premier reacted favourably," he said, but the details were left in the air until further discussions.

Parliament in Lebanon elects new Speaker

By Nora Boustany in Beirut

THE LEBANESE Parliament elected a new Speaker yesterday, who, with Syrian backing, is expected to act as a political counterweight to the upsurge of Shia Muslim religious militancy.

Mr Hussein al-Husseini, who was a strong opponent of the May 17 Israel-Lebanon troop withdrawal agreement, defeated Mr Kamel al-Asaad, Speaker for the past 13 years, by 41 votes to 22.

Syria had indicated its support for Mr al-Husseini who comes from the Baalbeck region and is former head of the Shia militia Amal.

It is believed that despite certain differences, he will be able to work well with Mr Nabih Berri, the present leader of Amal and the Minister responsible for reconstruction and for south Lebanon.

Under the Lebanese constitution, the Speaker of Parliament has to be a Shia Muslim, the President a Christian Maronite, and the Prime Minister a Sunni Muslim.

The Cabinet has meanwhile approved an austerity budget for 1984/85 which includes heavy cuts in both defence and "secret" allocations.

Senior officials have admitted that Lebanon is facing a severe economic crisis with a fast growing public debt and balance of payments deficit.

Taiwan foreign exchange reserves rise

By Robert King in Taipei

TAIWAN'S rising trade surplus has swollen the country's foreign exchange reserves to more than \$16bn (£13.3bn)—up from about \$13bn a year ago.

Moreover, tight restrictions on foreign exchange transactions and on outward remittances are ensuring that the surpluses converted into new Taiwan dollars by banks dealing in foreign exchange will speed the growth of the local money supply and bring inflationary pressures to bear on the economy.

So far this year, though, ad hoc measures taken by the Central Bank have managed to provide a safety valve.

The Government has reimposed limits on the amount of foreign exchange banks could hold—raised per diem allowances on the amount of foreign currency which tourists and businessmen may take out of the country, and has increased the amount of money Taiwanese citizens can remit abroad in one year.

North Korea opens door for economic links with Seoul

BY STEVEN B. BUTLER IN SEOUL

NORTH KOREA has opened the door to possible far-reaching improvement in relations with South Korea by agreeing to a proposal from Seoul for talks that could lead to bilateral trade and economic co-operation.

The acceptance of South Korea's proposal, if acted on, would indicate a basic change in North Korea's negotiating position of the 1970s.

Then, it insisted that economic exchange or other inter-action take place only in the context of a general agreement to reunify the peninsula.

North Korea raised the possibility of discussion on economic topics in a radio broadcast. According to a Radio Pyongyang broadcast, North Korea's vice-premier, Kim Hwan, on Tuesday sent a letter to South Korea's Deputy Prime Minister, Shin Byung-Ryon, accepting Seoul's proposal for economic discussion.

He suggested the two sides send five-member delegations to meet at the truce village of Panmunjom on November 15,

but only after a mutually agreeable agenda had been drawn up.

In accordance with Seoul's initial proposal, Kim has agreed the delegations will be headed by government officials at Vice-Minister level. It will be the first official contact between the governments since 1980, should the meeting take place.

The North Korean broadcast suggested the economic exchange could lead to peaceful reunification of the peninsula by "eliminating the distrust which presently divides it."

If the two Koreas did agree to open their borders for trade, the two economies would be highly complementary. North Korea is rich in natural resources, while South Korea has far more sophisticated manufacturing capability.

South Korean businessmen have expressed interest in purchasing North Korean anthracite coal, iron ore, magnesite and lead ingots, as well as farms and fishery products, and have suggested the possibility of joint ventures in the future.

China will never abandon Socialism, says Deng

BY MARK BAKER IN PEKING

CHINA will never abandon its Socialist system, despite its economic reforms and special policies for Hong Kong and Taiwan, Deng Xiaoping, the country's leader, has declared.

"The Socialist system of ours today will remain unchanged forever," Deng said in a meeting with visiting delegations of Hong Kong Chinese.

While China might permit foreign investment and allow Hong Kong to keep its capitalist system, Socialism would not be modified for "our one billion people" on the mainland, he added.

Deng's remarks were displayed as the main page story in the Communist Party newspaper, People's Daily.

The timing and prominence given to his comments—made during unscheduled meetings recently—appears designed to counter criticism of reforms by influential party conservatives during the current Plenum of the Central Committee. They do not, however, indicate that Deng is back-tracking on his open door economic policies.

The Conservative minority has been antagonised by a series of recent reforms by Deng's leadership which they regard as leading the country away from Socialist orthodoxy and into dangerous compromises with capitalism.

China and the Soviet Union will resume their biannual consultations in Peking tomorrow with little prospect of a breakthrough in their 20-year feud.

Both sides have indicated that their major disagreements still stand and the week-long talks will see little more than a restatement of conflicting positions.

The one prospect for optimism is that agreement could be reached on new dates for a visit to China by the Soviet Deputy Prime Minister, Mr Ivan Arkhipov.

Moscow cancelled without explanation a scheduled visit to Peking in May by Mr Arkhipov, a day before he was due to arrive. He is the most senior Soviet official to have been invited to China since the countries split in the early 1960s.

The sudden cancellation of the visit was to highlight the progressive deterioration in Sino-Soviet relations.

Nigeria's chief negotiator on IMF loan replaced

BY PATTI WALDMER

NIGERIA'S chief negotiator with the International Monetary Fund (IMF) on a proposed \$2.5bn (£2.08bn) loan—the Finance Ministry's Permanent Secretary Alhaji Abubakar Alhaji—has been replaced in a Cabinet reshuffle.

The removal of Alhaji Abubakar Alhaji a pivotal figure in Nigeria's talks on the loan, becomes Permanent Secretary for National Planning, a position of importance for future talks with the World Bank on the issue of policy adjustments, such as a devaluation of the naira, which are required by the IMF.

Tilhaji Abubakar Alhaji's replacement is Mr U. K. Bello, formerly Permanent Secretary responsible for economic affairs in the Executive Office of ousted President Shagari.

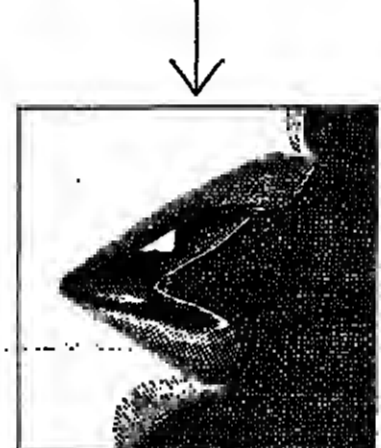
Bankers described him as an able technocrat with extensive experience in international finance.

Alhaji Abubakar Alhaji who has earned the reputation of a forceful negotiator in nearly two years of talks on the loan, becomes Permanent Secretary for National Planning, a position of importance for future talks with the World Bank.

Sixteen permanent secretaries and four ministers were involved in yesterday's reshuffle, in which portfolios were exchanged and no officials were dropped from government.

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WORLD TRADE NEWS

Hong Kong may sell expertise to Shanghai

By David Dodwell in Hong Kong

HONG KONG'S Mass Transit Railway Corporation (MTRC) plans to send a group of executives to Shanghai next month to discuss the city's plans to build its own urban transit system...

The corporation is understood to have had discussions with several city authorities in China on the possibility of selling its expertise, but Shanghai has shown the greatest interest so far in investing in a mass transit system...

The MTRC recently failed to win a contract for work on the second stage of Singapore's rapid transit underground system...

The report said that about 10m people travel by bus or trolley-bus in the city every day.

Bechtel awarded Egypt contract

By Tony Walker in Cairo

BECHTEL CORPORATION, the large U.S. engineering group, has been awarded a management contract for the construction of a new oil refinery at Assiut in Upper Egypt.

The contract for the \$300m refinery underlines Bechtel's continuing success in Egypt. It is overseeing a large power generation project at Shubra, near Cairo, and recently completed work on an oil drilling platform in the Red Sea.

A Bechtel spokesman said the contract is the last of a series of projects awarded to the company by the Egyptian General Petroleum Corporation (EGPC)...

Singapore moves to cancel Sri Lankan air agreement

By Chris Sherwell in Singapore

THE SINGAPORE Government has served notice on Sri Lanka that the 1979 air services agreement between them is to be terminated, raising the prospect of an end to all services between Singapore and Colombo one year from now.

At the same time Singapore International Airlines (SIA), the island state's national flag carrier, is threatening to make its campaign for an extra three services to Australia a government-to-government issue.

Both moves result from growing negotiations for SIA in lengthy negotiations with Air Lanka and Qantas, and high-light persistent differences over airline competition in Asia.

The fundamental issue in the Air Lanka dispute concerns ratification of the 1979 agreement, which Air Lanka says has operated unfairly against it because third party restrictions have rendered it unable to use its rights beyond Singapore.

Air Lanka, saying the agreement hasn't been ratified, has wanted SIA to reduce its four flights a week through Colombo by stopping Gulf services, ending a Copenhagen flight and dropping one of two Amsterdam services.

The Sri Lankan airline has found the Gulf profitable because Sri Lanka was there, and now has its own Copenhagen service.

At four meetings this year, SIA has refused these demands, saying the 1979 agreement

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Jordan turns to barter to build up phosphate sales

BY RAMI G. KHOURI IN AMMAN

AFTER FOUR consecutive years of flat growth and earnings, the Jordanian phosphate industry has started a major expansion programme that will rely heavily on barter deals with its major trading partners in Japan, the U.S. and Europe.

During 1980-83, Jordan's phosphate exports rose by less than 5 per cent to reach 3.7m tons in 1983, generating net revenues of \$160m. This figure includes income from another 1.2m tons of phosphate rock sold domestically to the Jordan Fertiliser Industry Company at Aqaba, which processes it into chemical fertilisers for export.

A management change early last year brought in Dr Wasaf Azar as general manager, and he has embarked on a strategy that includes a combination of cost-cutting and increased production and exports.

The plant will make use of Montedison's Speripol polypropylene producing process, and of high-yield catalysts jointly developed by Montedison and by Mitsui Petrochemical of Japan.

Technimont wins Indian plant order

Technimont, an engineering subsidiary of Italy's Montedison chemicals group, has received a contract for the construction of a polypropylene plant in India, AP-DJ writes from Milan.

The plant will make use of Montedison's Speripol polypropylene producing process, and of high-yield catalysts jointly developed by Montedison and by Mitsui Petrochemical of Japan.

British electric van tested in Hong Kong

British hopes of exporting battery-powered delivery vans were given a boost yesterday when China Light and Power, one of Hong Kong's two electric utility companies, bought one for a three-month testing programme.

The report said that about 10m people travel by bus or trolley-bus in the city every day.

Swiss group to supply pumps for Saudis

The Swiss company Sulzer Brothers has been awarded a \$wFr 23m (£7.36m) contract for four pumping stations by the Saline Water Conversion Corporation of Riyadh, John Wicks writes from Zurich.

The order, which excludes pipeline and valves, concerns the Makkah-Taif stretch of the company's water supply system, currently being built by the South Korean contractor Balla Construction.

The Swiss-American bio-engineering company Biogen has announced the signing of an agreement with the Wellcome Foundation, of London, for the marketing of Biogen's Hepatitis B vaccine in major world markets.

Malaysian free port challenges Singapore

BY WONG SULONG IN KUALA LUMPUR AND CHRIS SHERWELL IN SINGAPORE

THE MALAYSIAN port of Pasir Gudang has begun business as a free port. The order for a free port was made by Dr Mahathir Mohamad, the Prime Minister, who had earlier expressed strong disapproval that more than a quarter of Malaysia's exports of \$13.7bn last year were sent to Singapore for re-export.

Singapore which faces Pasir Gudang across the Johore Strait, vies with Hong Kong as Asia's busiest seaport.

Dr Mahathir described the situation as "both an insult and an injury" to Malaysia, and blamed Malaysian traders for their complacency in allowing this practice to continue.

The move means that Malaysian shippers will be able to store their goods at Pasir Gudang while waiting for prices of any particular commodity to pick up before exporting.

The port will soon be the scene of a \$70m expansion plan, which will add three wharves, a container terminal as well as a rail link to the Malaysian hinterland by next year.



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which are finding Singapore too expensive will be encouraged to move over.

When expansion is completed, Pasir Gudang's handling capacity will be 7.6m tonnes a year, up from current capacity of 3.5m tonnes.

In the short-to-medium term, however, the port poses only a nominal threat to Singapore, and indeed, many shippers believe it will serve to complement the five gateways that operate under the auspices of the Port of Singapore Authority (PSA).

These are the Tanjung Pagar container terminal; the Kappel Wharves, Sembawang Wharves and Pasir Panjang Wharves and Jurong Port.

Including oil terminal throughput, the PSA handled 108.3m freight tonnes of cargo in 1983, up 5 per cent from 1982. A total of 63.5m tonnes

sell to French customers. In another deal, Japanese buyers have agreed to take an extra 100,000 tons of rock a year after a Japanese company won the contract to expand a cement factory near Amman.

This Japanese arrangement will be repeated in future, as the Jordanian Government starts applying more widely its recent decision to award major contracts to contractors from countries that agree to increase their purchases of Jordanian phosphates.

"We are forced to offset our imports from major industrial states with sales of phosphates or other minerals we produce," Dr Azar said in an interview,

otherwise we will find ourselves in the future with an enormous balance of payments problem.

The JPMC's three mine sites and existing transport and storage facilities are capable of producing 7m tons a year. Current production makes Jordan one of the non-Communist world's major phosphates exporters, along with Morocco, the U.S. and Canada.

But expansion plans now being prepared will open a major new mine at Shidiya, in southeastern Jordan. It will start producing 3m tons a year by the end of this decade, reaching a maximum of 9m tons per year by the late 1990s.

The Shidiya project, being prepared by a consortium led by Sofremmes, of France, should strengthen Jordan's role as a phosphate rock exporter by the next decade.

The cost of the Shidiya project, including transport and townsite infrastructure and additional domestic processing facilities to transform the raw rock into chemical fertilisers, may cost as much as \$500m over the next decade.

The prospects for more barter deals are enhanced by the high quality of the Jordanian rock, both because of its high tricalcium phosphate content and its low impurities.

By Bernard Simon in Toronto

AIRBUS INDUSTRIE is setting up a permanent office in Montreal to promote sales of its aircraft to Canadian airlines.

The company so far has only one Canadian customer, the Edmonton-based charter carrier, Wardair, which has ordered six A-310 aircraft.

An official of Airbus's North American subsidiary, based in New York, said the company "sees prospects" of sales of the new 150-seat A-320 model to the state-owned Air Canada.

According to the official, other potential customers include two regional carriers, Pacific Western Airlines and Quebecair.

An Air Canada official said no negotiations are taking place with the European consortium.

The airline resisted efforts a few years ago by then Prime Minister Pierre Trudeau to place an order with Airbus, and is presently taking delivery of a dozen Boeing 767s.

The Canadian Government earlier this year turned down an approach by Airbus to participate in the A-320 manufacturing programme.

The cost of involvement was considered too high and the troubled local manufacturer, de Havilland, was already fully occupied with its financial problems and the development of a new commuter aircraft.

Boeing of the U.S. has won another major order for its advanced 737-300 twin-engine jet airliner—for 24 aircraft, with options on another 21 from Texas Air Corporation of the U.S. On Air Canada's correspondent writes, The deal is worth about \$600m (£296m) including spares.

Airbus sets up office in Montreal

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FOCUS ON SOUTH AFRICAN COMMERCE AND INDUSTRY

TrustBank — continued drive into the quality sector of the market

TrustBank's Chris van Wyk, managing director, and Marius Smith, senior general manager, speak in this interview with Richard Rolfe, London-based international journalist.

Rolfe: You have recently opened a London branch; could you comment on what you are planning to do there?

Van Wyk: The initial activities included all the basic things like foreign exchange, deposit dealings, financing international trade, documentary business and so on. Later on we will get more involved in loan syndications. In this context it is perhaps of interest to note that in the first four months of its operations our branch has been involved in eleven syndications including five for South African public sector borrowers.

Other opportunities include the sterling acceptance market in which we hope to participate. We have already availed ourselves of interest rate swaps. We will also get involved in financing the parents of South African subsidiary or associate companies.

Just recently we approved a \$15m line for a major UK offshoot of an American group, which has an important South African business as well.

Another opportunity is ECGD export business in which we are involved in South Africa but in which we believe can participate on a much bigger scale by using our London office.

Smith: Opening up in London gives us access to a much wider source of clients, both on the deposit and on the lending side. As far as deposits are concerned we are widening the scope and the number of people with whom we trade. On the lending side there is the entire group of companies that trades with South Africa, where we have a natural entrée.

In our forex trading we can trade later in the day than we do in Johannesburg, particularly in the British winter, when there is a two-hour time gap between London and Johannesburg. We have already capitalised on days when South Africa has a holiday and the British markets are open.

It also gives us an opportunity to get into the secondary markets to Europe, for Eurobonds, FRN's CD's and so on, which in the long run will provide investment opportunities for South Africa. The more experience we gain in this area, the better it will be.

Rolfe: In London would you be involved in trade only where there was a South African involvement, or would you do third party country deals?

Van Wyk: Certainly, the latter. Not more than one-third of the balance sheet of London will represent South African risk business. As for the rest, we are not going to have as much as two-thirds of the balance sheet in the form of inter-bank lending or other forms of liquidity. So, yes, there is a requirement for us to find other business and we are participating quite successfully in this.

Rolfe: Could your London office also be a window on the financial services scene as a whole, as it is developing in the UK, Europe and America?

Van Wyk: That will be very much a strategic decision for the future. Our approach to this London branch is to get it off the ground with, shall we say, proper speed but not undue haste and to do the more fundamental things right from the beginning and then to explore the next level of sophistication. What

we do will very much depend on what we are doing here in South Africa. For example, we are now very active in developing the traded options market and the financial futures market.

Smith: In time to come, we will participate in overseas financial futures markets for our own liability management purposes.

But one must remember that at this branch we do not expect to get close to the retail client, so the more retail-oriented financial services such as insurance, we'll never get to.

Rolfe: What about your South African strategy — haven't you moved away from the man-in-the-street business where the TrustBank began, to concentrate more on corporate clients?

Van Wyk: Our South African strategy is certainly to continue to upgrade our client profile. One can never refuse to service the full spectrum of the socio-economic income groups. But our percentages are changing, with a swing towards a much higher percentage in the top socio-economic groups.

Where we do business in the C, D and E income groups, we are looking for people with potential e.g. students, or people who have just started their careers or their own small businesses.

Apart from that, we are concentrating much more heavily on the corporate market since we believe that it is essential to increase our share in this market to meet our objective of being a balanced and full service bank to those segments of the market that we have chosen. That also links into our international activities where we want to have a small network of international offices to provide this corporate market with a full spread of sophisticated international services.

We consider ourselves as a metropolitan bank servicing the urban areas and maybe the major regional towns but certainly not all the villages. We have no intention of establishing a large network of branches in the country areas in South Africa.

Looking at all this and the pattern of income distribution in South Africa and the whole trend of urbanisation, it is logical for us to concentrate our efforts in the larger centres where the bulk of South Africa's commerce and industry lies and to look for a bigger share of the corporate business and a larger share of our total earnings coming from that area.

We have had significant breakthroughs with major corporate businesses in South Africa and particularly in the international area even before we opened the London branch, but the start of the branch has supported our breakthroughs. So overall the move-

ment is towards an upgraded client profile both on the retail side and certainly on the corporate side.

Rolfe: You are ultimately a subsidiary of the big insurance group, Sanlam. Obviously, this creates both advantages and disadvantages. Where does the balance lie?

Van Wyk: We find no reason to believe that our business with Sanlam is not totally at arm's length. We see no evidence that we are regarded by Sanlam or anybody else in the broader Sanlam cosmos as a house bank, either to Sanlam or to key associates such as Federale Volksbeleggings or Gencor. Nor is that how the market perceives the Sanlam/TrustBank relationship. Quite frankly, my own assessment is that the market knows that Sanlam and its major associates have multi-bank relationships and on particular leaning towards making TrustBank the house bank.

Many people in South Africa probably feel that it is a plus factor for TrustBank to be closely associated with Sanlam because Sanlam is not an insignificant group. The point at issue here is the knowledge that Sanlam controls TrustBank, and from the confidence point of view, this association is beneficial.

We have a number of substantial clients which are competitors of Sanlam or of other members of the Sanlam group.

Rolfe: Turning to market share now, what has been your performance?

Van Wyk: If you look at the percentage increase in key areas of market share, over the last four or five years, it has been pretty dramatic, reflecting our success in getting cheque account business which we believe to be the core of the kind of business we want. On the other side, there has also been meaningful increase in advances, with about a 50% increase in market share over the same period.

In HP and leases, the major support pillar on which so much of TrustBank was built over the years, there has been a relative decline in market share from 17% in June 1979 to about 12.5% in March 1984. There was good reason for this erosion. Strategy from 1978 onwards was to develop a much more balanced bank which isn't so vulnerable to consumer credit which more than anything else has been very business-cycle sensitive and also a target for the authorities to attack whenever they wanted to follow an anti-cyclical policy. But we feel that in this area we have fallen low enough now and we are aiming at a slight increase in market share, possibly back to around 15% or so.

So the total picture leaving HP and leases aside for the moment, shows an increase in market share over the last five years probably of about 30% to more than a 100% depending on the product or service you are looking at.

Rolfe: South Africa's banks don't disclose as much as their counterparts in the UK and America. Do you see yourselves making any voluntary moves towards greater disclosure levels?

Van Wyk: We are aware of the fact that at least certain South African banks are not popular for their financial disclosure levels. My own feeling is that what is equally important for whoever wants to analyse the accounts of banks is what they say about their strategies, personnel policies, expansion plans, or major changes like significant alterations to their service delivery networks.

All these things add up, I think, to a picture of what the institution is really doing and whether



Dr Chris van Wyk, managing director



Mr Marius Smith, senior general manager, and Mr Herbert Schultz, chief manager, London branch

management is intelligently managing the resources of the shareholders. So in this debate about disclosure, my own feeling is that too much emphasis is being placed on just the financial aspects.

It is probably inevitable, though, that those South African banks which are out on a so-called full disclosure basis will move towards more disclosure. But I don't believe that TrustBank will move to a position where all financial statistics are disclosed. One can do much by giving more information about the trends in profit and loan losses etc.

Rolfe: TrustBank has enjoyed a rapid rate of growth in recent years. What do you ascribe this progress to and where do you see the bank going from here?

Van Wyk: In 1978 the seeds were sown by clearly defining our strategic direction and objectives, including the choice of preferred market segments. We also defined the type of infrastructure that we needed to drive this whole operation, the kind of branch network grid that would be appropriate to service our strategic objectives and the kind of technological developments that we needed.

We started vigorously pursuing these objectives to upgrade the infrastructure to enable us to service our preferred market segments and really to go for those strategic targets. We also managed to achieve a vast improvement in the quality of our staff by consistently and aggressively seeking talented people who were looking for a challenge and appointing them from all over the world. This added a lot of competence, potential, insight and different cultures to the bank's existing manpower core. Another element was in the training and development of management and leadership skills, placing a lot more emphasis on the issues of sound leadership, sound planning systems, sound budgeting systems and sound management information systems.

Our image has improved all round and has directly impacted on how we fare in the market place. This is supported by very specific programmes to continue the improvement, but ultimately we have to deliver right there at the customer's place of business.

TrustBank has always been known in the marketing area as innovative and enterprising and we have done a lot that is right in product development, product management and structuring ourselves for the sales effort needed to service our customers' requirements.

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UK NEWS

Six-month borrowing total moves close to target for year

BY PHILIP STEPHENS

BRITAIN'S public borrowing amounted to £533m in September, taking the total for the first six months of the present financial year to £7.17bn, just below the £7.25bn target set by the Government for the full year.

Last month's figure, however, was below most and the Treasury remains convinced that the Government's finances will be roughly in balance for the second half of the year, allowing the borrowing target to be met.

The Treasury appears resigned to an overshoot in public spending, which will more than wipe out the £2.75bn set aside in the budget as a contingency fund.

The mounting cost of the miners' strike, high local authority spending, and above-target national

health service pay awards have already swallowed most of the reserve.

But officials believe overrun is likely to be matched by higher-than-expected oil revenues caused by the fall in the value of the pound against the dollar since the start of the financial year in April.

The effect of sterling's depreciation is seen in September's figures for Government oil revenues, which jumped to £1.54bn compared to only £844m in the same month in 1983.

The Government's income over the next six months will also be boosted by the flotation of British Telecom, a £500m rebate from the European Community, and the bringing forward of some value added tax payments.

British Telecom warns unions of compulsory redundancies

BY DAVID GOODHART, LABOUR STAFF

THE BOARD of British Telecom (BT) has delivered a stern warning to its unions that it must start to expect some compulsory redundancies in the next few months. The state-owned corporation is due to be privatised in November with a stock market flotation.

Although 15,000 jobs have been shed at BT in the last three years, they have all come through natural wastage. Compulsory redundancy has been unknown in the corporation.

In an interview with the Financial Times, Mr Mike Bett, corporate director of personnel, said: "There are places, particularly in the more isolated areas, where all the most imaginative retraining and redeployment plans will not be enough and we will be faced with the stark reality of compulsory redundancy. I do not want to run away from this."

BT's biggest union, the 125,000-strong Post Office Engineering

Union (POEU), has had since 1979 a job security agreement (JSA) which formally rules out compulsory redundancy.

The JSA is an agreed selection of means - including retraining and redeployment - for avoiding redundancy. A "force majeure" clause also states, however, that in the event of a major manpower problem arising from causes outside BT's control, the "no compulsory redundancy" agreement might have to be reviewed.

The senior management does not apparently wish to invoke that clause, but it does want to renegotiate the agreement by, for example, making voluntary redundancy the first, rather than the last, option.

Mr Bett said: "If the POEU insist on a rigid and obstructive interpretation of the JSA, we will have no alternative but to give them notice."

Some observers believe BT's

present staff total of 240,000 makes it 20 per cent overmanned compared with the best practices in other countries. The corporation will certainly be looking to continue its 3,000 a year cut.

That will, however, become increasingly difficult. The recent cuts - the product of "good housekeeping" - have come simply from non-replacement of many of the 11,000 annual voluntary leavers, the virtual ending of apprenticeships, and the improvement of the redundancy and early retirement terms.

The next stage of redundancies - which will not seriously bite for five or 10 years - will come from new technology and changes in working practices. BT wants to reduce numbers as far as possible now to minimise the impact at the next stage.

The jobs most under threat are in installation work, exchange maintenance, clerical work and the computerisation of directory inquiries.

Lear Fan aircraft cleared to start U.S. flight tests

BY PAUL TAYLOR IN NEW YORK AND OUR BELFAST CORRESPONDENT

THE CONTROVERSIAL Lear Fan aircraft, which is planned to be built in Northern Ireland with more than £50m of UK taxpayers' money has received technical approval from the U.S. Federal Aviation Administration (FAA).

The revolutionary business aircraft is built of advanced composite materials and has a single propeller at the rear.

The FAA type inspection authorisation (TIA) - a crucial first step towards full certification for the aircraft - came after a series of delays which have at times appeared to put the project in jeopardy.

The type inspection authorisation signifies the federal agency's approval of technical data and is seen as a big step towards type approval, which would open the way for volume production of the aircraft.

The data were submitted by the company, which is based in Reno, Nevada, and 85 per cent owned by Saudi Arabian investors.

The Lear Fan aircraft, the dream of the aviation pioneer Mr William Powell Lear, is the first business aircraft using advanced composites - plastics - for all its structural components to receive type approval from the FAA.

Lear Fan hailed the approval, which opens the way for the FAA to begin flight testing the aircraft, as "a milestone."

Mr Bob Burch, chairman and chief executive of Lear Fan, said the FAA approval marked "the most significant technological ad-

vancement to occur in the general aviation industry since the turbine engine over 20 years ago."

The FAA decision is likely to revive hopes that the aircraft will be built in volume at its Northern Ireland production plant, where 320 workers were laid off in August, leaving only a skeleton staff.

Lear Fan said yesterday it hoped to receive a type certificate for the aircraft in January. That would allow volume production to start in mid-1985, with customer deliveries in early 1986.

The unions representing the redundant Lear workers said yesterday questions remained to be answered. They feared the company might locate its main factory in the U.S. and produce only components in Northern Ireland.

The UK Government said in May its agreement with Lear Fan required the company to develop its principal manufacturing facility in Northern Ireland. The Industrial Development Board for Northern Ireland (IDB), which monitors the project, declined to comment yesterday on whether it was satisfied with the present degree of commitment by Lear Fan's backers.

It is understood that the IDB is still seeking clarification about the company's intentions. This clarification might be demanded before the Government hands over £7m which remains to be paid out of the agreed public funding for the venture.

Rank sells portfolio of properties for £93.5m

RANK ORGANISATION, is to sell a £93.5m portfolio of investment properties in British Land, as part of a policy aimed at revitalising the group, Michael Connell writes.

The sale will leave Rank with about £70m worth of investment property outside the UK. Under the deal, Rank City Wall and its subsidiaries will be sold for £49m to British Land, made up of £26m for the share capital and £23m to repay City Wall debts to the Rank group.

In addition British Land, which is one of the UK's largest property companies, will assume £14m of long-term loans and other liabilities of £26m.

Net proceeds of the sale, together with the repayment of group loans and the reduction in external liabilities will amount to £88m representing a discount of £25.5m (27 per cent) on Rank City Wall's gross property assets.

In the year to October 1983, pre-tax profits of Rank City Wall amounted to £3.1m.

Sir Patrick Measey, chairman of Rank, said it was planned to redeploy resources into higher yielding assets, mainly in the services, leisure and leisure-related sector. British Land's property assets will grow to more than £400m.

Creda to make Hitachi cookers under licence

BY LORNE EARLING

TI CREDa, one of the UK's largest domestic appliance producers, has concluded an agreement with Hitachi of Japan to manufacture microwave cookers under licence at its Staffordshire factory.

From the middle of next year Creda will make the cookers for both companies at the rate of about 100,000 a year, meeting fast-growing demand both in the British and European markets.

Microwave systems are now said to be outselling conventional cookers and it is estimated that more than 1m will be bought in Britain next year.

Creda also announced yesterday that it would be launching a total of 32 new products over a 12-month period, involving considerable investment in new tooling and manufacturing equipment.

About 85 per cent of microwave cookers sold in the UK are imported,

mainly from the Far East. At present, Hitachi products are being imported by Creda.

Mr John Winnett, chairman of Creda, said: "Demand for microwave cookers is now beginning to outstrip supply, and Hitachi technology in this field is about the best there is." He added that there was scope for further collaboration, since it was likely that microwaves would probably be used with conventional cookers before too long. There was also an opportunity for exports to Japan.

Mr Winnett said that Creda was investing several million pounds in its new product range, which had been developed over a short period of time with the aid of computer-aided design techniques. The company employs 2,300 people, mostly at its Staffordshire plant, and has a turnover of about £160m a year.

Gore in £30m project

FINANCIAL TIMES REPORTER

W. L. GORE, of Newark, Delaware, yesterday announced a £30m plan which could create up to 600 high technology related jobs in Dundee, a part of Scotland which has been hit hard by the decline of its traditional jute and jam-making industries.

In the first £10m phase of its plan the company is to construct a factory to manufacture special coaxial cable suitable for defence and other radar operations.

Two further expansions, each costing £10m and creating a total of 400 jobs by 1990, will take in the

manufacture of health care products. Gore says that a further 300 jobs are likely to be created in companies supplying goods and sub-contracting services.

The plants will be established in the Dundee Technology Park, as a joint project between the Scottish Development Agency, Tayside Regional Council and Dundee District Council.

Gore recently started construction of a plant producing special coating material for containers which carry highly corrosive liquids.

VAUXHALL, the General Motors subsidiary, introduced car price increases averaging 3.6 per cent. It also announced that its full range of UK saloons would have the Vauxhall badge, with the top-range executive car being marketed as the Vauxhall Senator instead of as an Opel.

The Opel badge in Britain will be retained only on the sporting cars produced by Opel, Vauxhall's sister company based in West Germany.

LORD WHITELOW, the Deputy Prime Minister, said the Government would make public the main recommendations of the police inquiry into the IRA's attempt to assassinate the Cabinet in Brighton last week.

Four people were killed in the bomb explosion and Mr Norman Tebbit, the Trade and Industry Secretary, is still in hospital with rib and leg injuries.

BUILDING societies last month attracted the highest level of net repayments since February.

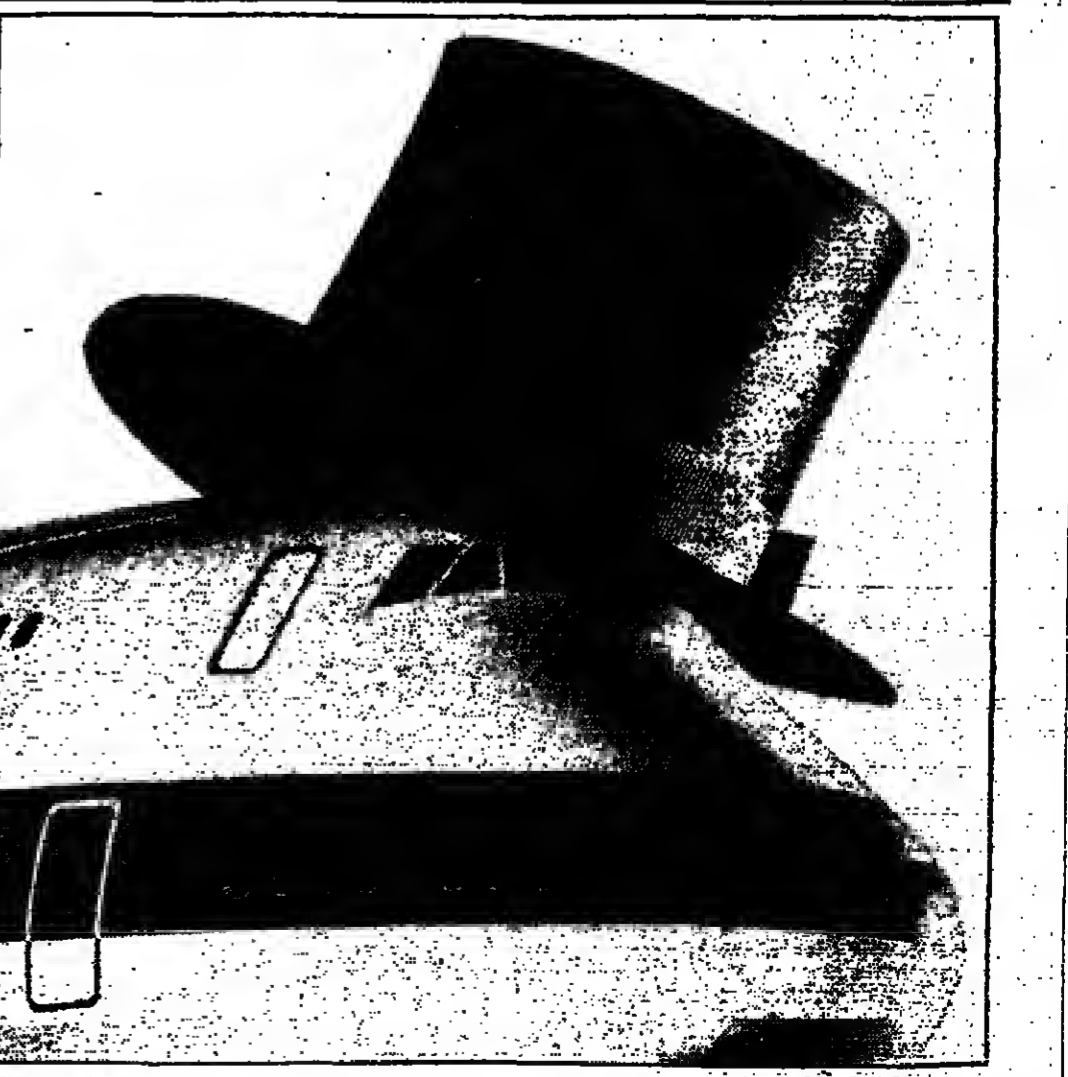
The societies - which had money for house purchase - expect September's inflow to be surpassed this month.

The recovery from net receipts in August, which were the lowest for three years, has prompted hopes of a cut in mortgage lending rates. But most societies do not expect a reduction until the new year.

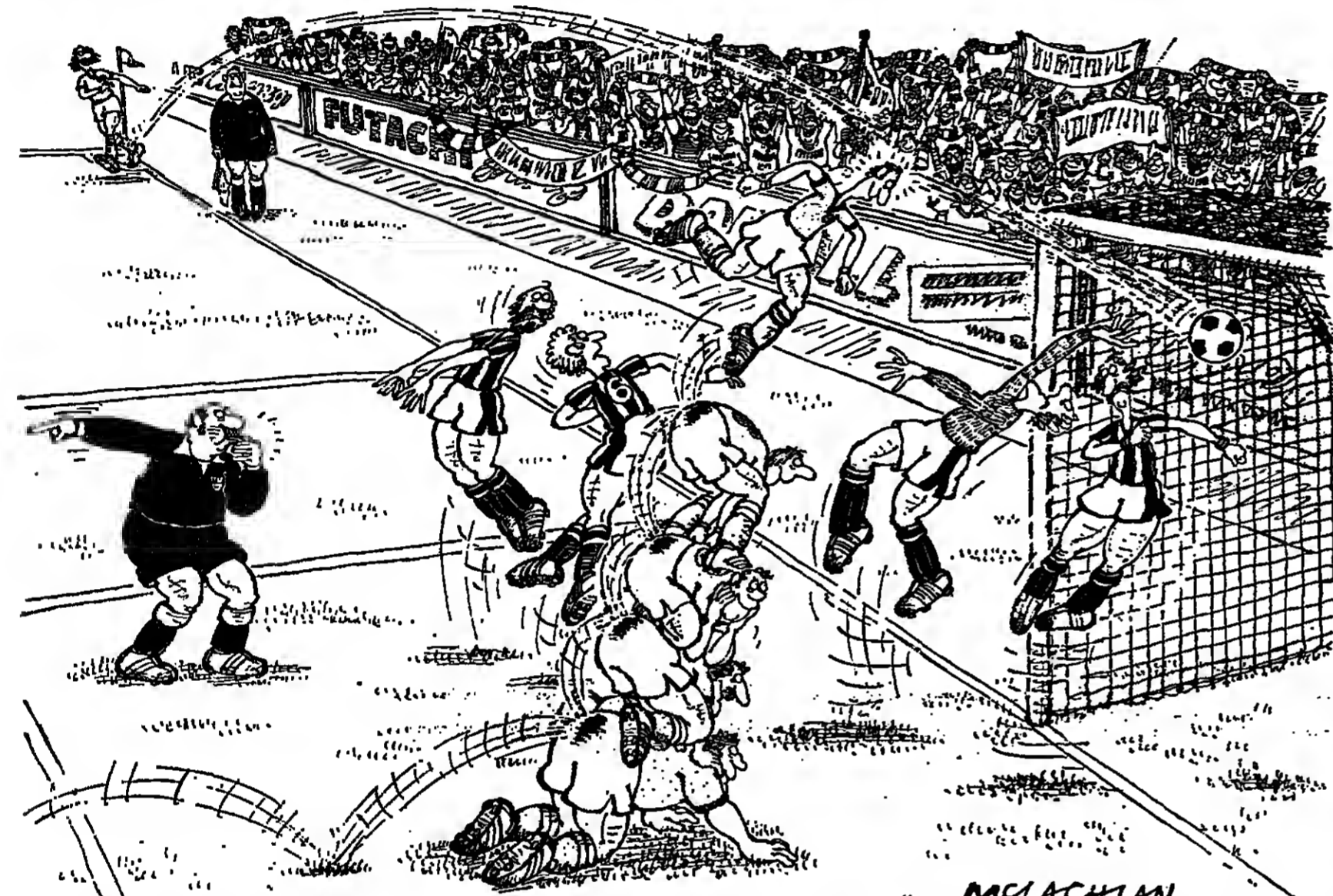
RECEIVERS at Coles Cranes, the mobile crane-making subsidiary of the defunct Acrow group, told local union officials that they were close to selling the company to a U.S. concern. The name was not disclosed.

Coles, which employs 900 at Sunderland in north-east England, has an asset value of £31m. The receivers are continuing discussions with the directors on a possible management buyout in case the proposed sale falls through.

THE GOVERNMENT confirmed that it would abolish the larger part of the special grant which it pays local authorities for the support of public transport and expenditure on roads. The changes will take effect in the next financial year. The grant is about £400m in the current year.



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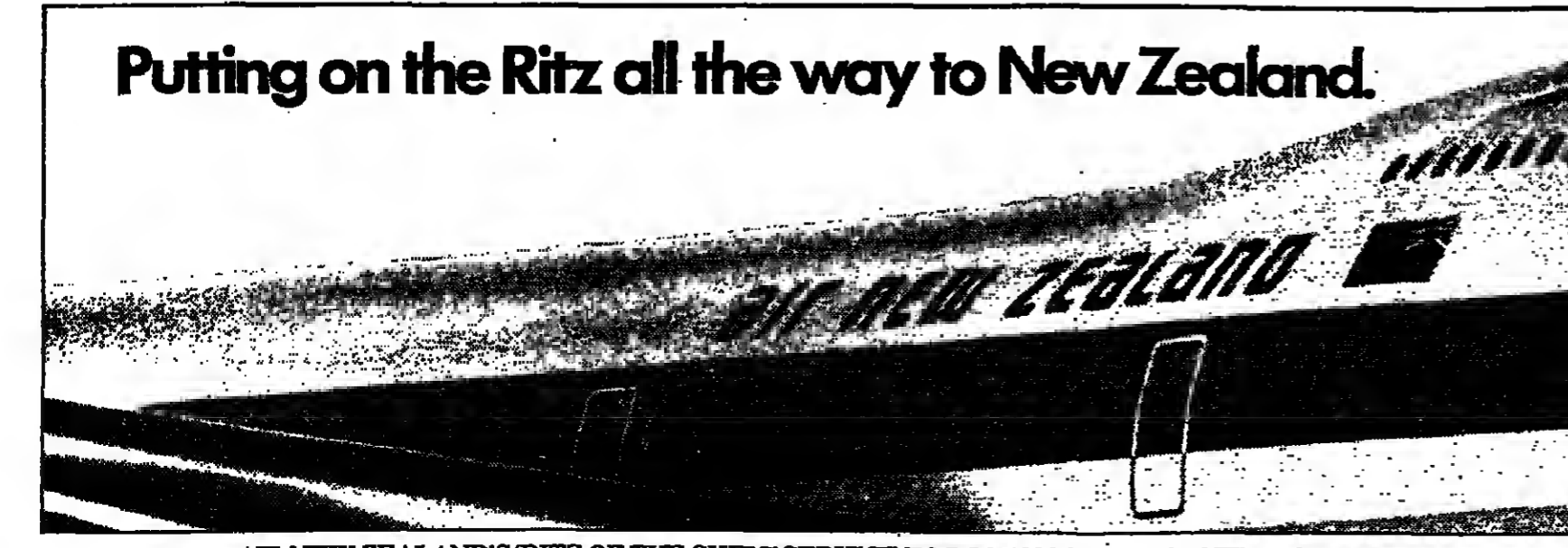
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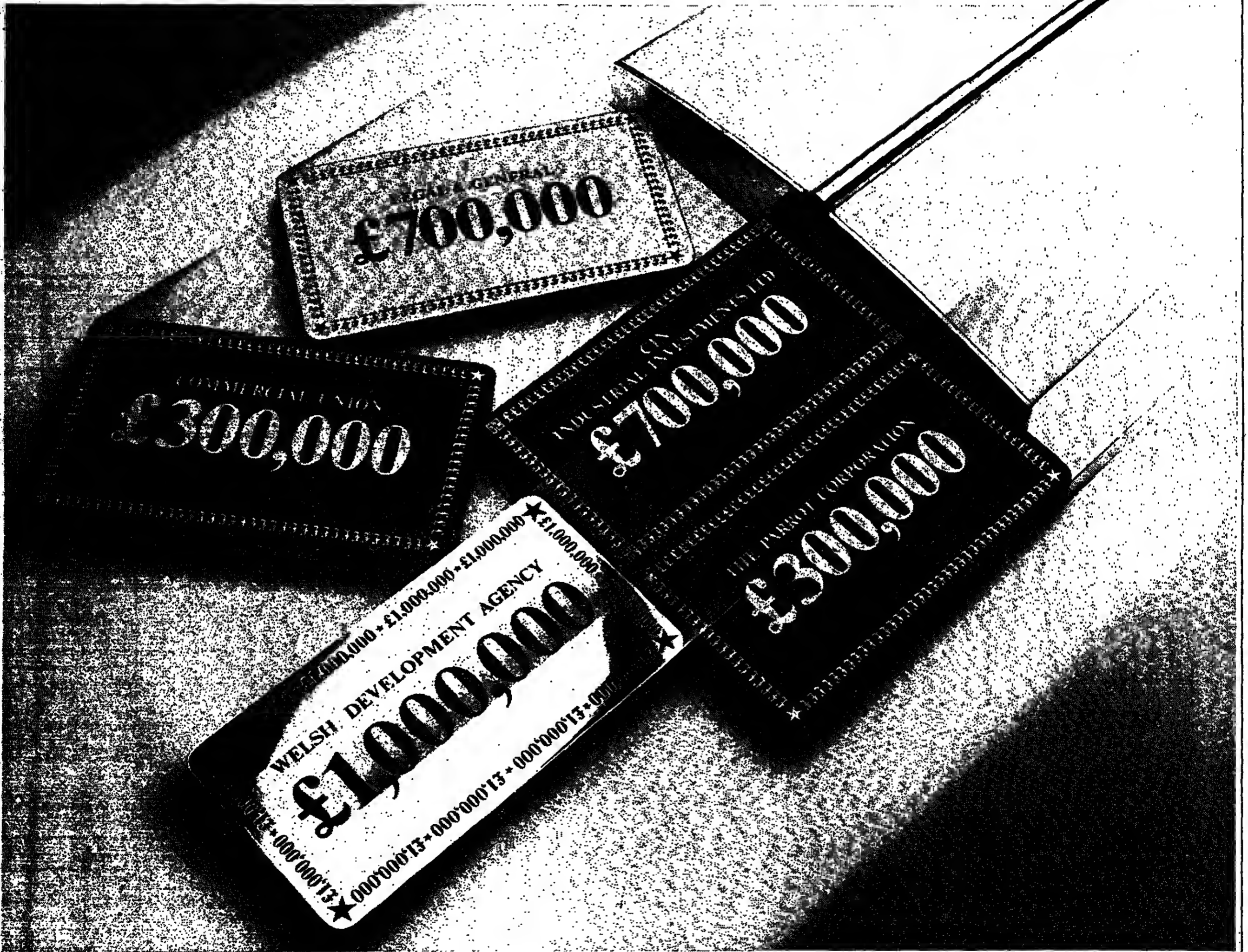
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UK NEWS

Talbot UK sees early return to profit

BY ARTHUR SMITH, MIDLANDS INDUSTRIAL CORRESPONDENT

TALBOT UK, the subsidiary of Peugeot of France, is trading profitably and should finish the year at or near break-even, Mr Geoffrey Whalen, the managing director, said yesterday.

He was optimistic about continuity of Britain's biggest single motor industry export contract - the £125m-a-year deal to supply car kits to Iran. Disruption of that contract was given as the reason for a dip in the red by Talbot in the first six months of this year.

Deals in letters of credit from Iran forced Talbot to lay off 750 workers for six weeks, and full production was resumed only in September.

As a result, Talbot, which realised its first profit for a decade in 1983, lost £1.8m.

Mr Whalen said he was confident of the long-term future of the contract after recent top level talks with the company that assembled kits based on the old Hillman Hunter model. Payments were coming through smoothly and no further problems were expected.

Not only did the Iran contract provide direct employment at Talbot's Stoke engine plant at Coventry, but a further 4,000 jobs were created among components suppliers.

Mr Whalen was confident the contract would offer good business for many, many years. "People say it can last only another five years. I don't agree. I am not able to put a time limit on it, but this is a car for which there is a pent-up demand. It has a long-term future."

Investment is getting under way at Ryton ready for the volume production in the autumn of next year.

Mr Whalen said the Ryton labour force, which had been slimmed marginally through natural wastage, would be held at about 1,200 over the interim period, even though the factory had just cut weekly output from 650 to 500 cars.

Once the C26 comes on stream, weekly output is expected to climb to at least 1,000 vehicles a week. Mr Whalen emphasised the importance of "keeping faith" with the workforce during the difficult times. Talbot, once at the head of the motor industry pay round, secured an 18-

month deal in 1980 to put it firmly in the rear. The review date for Talbot's 6,000 workers is January next year.

Lotus, the UK maker of high performance cars, will unveil its 170mph Eta at the motor show in Birmingham this week. The car will go into production in 1988.

The company said it was negotiating to supply a major U.S. manufacturer with the four litre V8 engine, of all-Lotus design, which powers the Eta. This contract would enable Lotus to put the engine into commercial production.

Dealer incentives attacked, Page 12

ESTATE MAY FACE £21m TAX SETTLEMENT

Revenue wins ruling on Clore domicile

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE INLAND Revenue has won a victory in its legal battle to tax the worldwide estate of the late Sir Charles Clore, the British businessman and founder of the Sears Holdings group who died in 1979. The estate is estimated to be worth more than £100m.

A High Court judge in London ruled yesterday that Sir Charles was domiciled in England, both in February 1979 when he established a Jersey settlement to which he transferred most of his wealth and when he died in July of that year.

Although Sir Charles spent his last years in unhappy tax exile, living mostly in Paris or Monaco, he never, as others interested in his estate contend, acquired domicile in Monaco. Mr Justice Nourse held.

The effect of this ruling is that the Revenue is indisputably entitled to capital transfer tax estimated at £21m on Sir Charles's English estate, which was thought to be worth about £27m at the date of his death. Its present value is nearer £40m.

The ruling also means that, under English law, the Revenue is entitled to tax on the value, at Sir Charles's death, of the remainder of his worldwide estate, most of it in Jersey but some in New York and Hong Kong.

The matter is, however, complicated by concurrent litigation over the Clore estate in Jersey - a totally separate legal jurisdiction, where the court takes note of English

court rulings but is not bound by them.

Next week the Royal Court in Jersey is due to hear a claim by Sir Charles's son, Mr Alan Clore, that his father died domiciled in Monaco.

That hearing is part of Mr Clore's challenge to the validity of Sir Charles's principal will, which left all his estate outside Monaco to charities. The Monaco estate was left by a separate will, also being challenged by Mr Clore, to Sir Charles's daughter, Mrs Vivian Duffield.

The Revenue has no legal standing in Jersey, and its ability to levy tax on the bulk of the estate will depend on the Jersey court's decisions on domicile, who is entitled to administer the estate and whether Jersey law permits assets there to be used to satisfy a UK tax claim.

Neither Mr Clore nor Mrs Duffield took any part in the High Court hearing. It was left to counsel for the assignees of any interest that Mrs Duffield might have on an intestacy to point to evidence suggesting a Monaco domicile.

Mr Justice Nourse said that Sir Charles had been a man of remarkable achievements. The sixth son of a Jewish refugee from Czarist Lithuania, he had, by the late 1950s, through exceptional business acumen and hard work, attained vast riches and a unique reputation as the pioneer of the company takeover.

He engaged in the pursuits of a wealthy country gentleman. He was an enthusiastic shot, and his racing colours were familiar on the turf in England, Ireland and France. He was by inclination both social and sociable and an indefatigable traveller.

But in the last two or three years of his life, as he lived in unhappy tax exile, his life changed greatly.

"Able, restless, cerebral without being intellectual or cultured, dutiful in religion but not spiritual, sometimes on the edge of loneliness or boredom; the impression is of a final period of unhappiness and doubt," the judge said.

Sir Charles had left England in 1977, finally oppressed by the fact that the top rate of tax on unearned income was 90p in the pound and that he could not sell securities without incurring substantial capital gains tax.

He acquired a "carte de séjour" in Monaco and spent about a fifth of his time there. He bought and improved an apartment in Monte Carlo at a cost of about £2m, into which he moved some of his paintings and objets d'art, and he made a Monaco will.

All that suggested he intended settling in Monaco, but a different impression was given by his close friends. Their evidence was that he had been unhappy and bored in Monaco and had contemplated returning to live in England, regardless of the tax consequences.

Warning over Heathrow freight delays

Financial Times Reporter IMPORTERS using Heathrow (London) Airport were given a warning yesterday that airlines might be forced to suspend freight traffic if delays arose as a result of new rules affecting VAT import charges.

New regulations come into force at the end of this month. They have already caused confusion among importers and freight forwarders who say that the switch over to a new accounting system could cause serious congestion at ports and airports.

Mr Peter Jones, operations manager of Atlantic air freight forwarders, said yesterday that imports through Heathrow were running at record levels.

Philippine Airlines was not given an opportunity to answer allegations that it was abusing its permit to fly into Heathrow Airport, London, the Court of Appeal said yesterday.

That failure on the part of the Secretary of State for Transport invalidated his decision to reduce the airline's permitted flights into Heathrow from three to two a week, the court ruled by a 2-1 majority.

The appeal judges were giving reasons for their decision in July to quash the Transport Secretary's decision.

Lord Justice Lawton said that in 1981 Philippine Airlines had been given a permit to operate three flights to Heathrow, but until last year used only two.

It then decided to bring in the third service from March this year - only to be told that its permit was to be revoked and replaced by one for two flights a week, because it was breaking an air service agreement.

The transport department's international aviation directorate alleged that the airline was breaking the UK-Philippines air service agreement by carrying to London a substantial number of passengers who had started their journeys in Australia rather than Manila. In fact, said Lord Justice Lawton, the directorate's view was based on inaccurate and unreliable figures.

Treasury concerned by export subsidy costs

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE EXPORT Credits Guarantee Department (ECGD) is expected to run up a deficit of between £800m and £700m over the next two to three years, according to Treasury calculations.

This emerged at a seminar yesterday run by the Public Finance Foundation on the future of support for the capital industries.

A major difference of view emerged at the seminar between the Department of Trade and Industry and the Treasury about the future of ECGD and other forms of export assistance.

The Treasury view, expressed in an interdepartmental report co-ordinated by Mr Ian Byatt, the Treasury's deputy chief economic adviser, is that export subsidies are of questionable value to the economy as a whole.

Mr Byatt defended his report, published earlier this year, on the grounds that the benefit of subsidies to exporters had to be balanced against the burden of extra taxation which would be needed to pay for the subsidies.

He questioned the argument that in the longer term subsidies created or preserved jobs. Subsidies might create jobs in a particular sector, but higher taxes would squeeze out jobs elsewhere in the economy.

He said there was also a question whether orders received with the help of export credits brought additional business to the UK, or whether some of the business would have been won without subsidy.

The Treasury's anxiety about the subsidies has clearly been sharpened by the prospect of mounting costs during the next few years. In the last financial year, the ECGD made a small repayment to the Treasury. This year, however, it is expected to need to borrow up to £200m to "reel" back cumulative borrowings of £180m to £200m.

The Treasury's scepticism about the value of export subsidies has been vigorously combated by the Department of Trade and Industry. Although there is no disagreement in Whitehall that all countries should agree to get rid of subsidies in a "multilateral disarmament", some officials feel strongly that British industry should not be put at a disadvantage because of the practices of other countries.

Mr Christopher Benjamin, Under-Secretary at the department, told the seminar that export subsidy was a point form of support to industry. There was plenty of evidence that companies which won an initial order with the aid of subsidies often obtained substantial unsubsidised follow-on business.

He described the present code on advertising as a "farce" and said he had written to the Government asking for the introduction of legislation to control tobacco advertising and sponsorship and the introduction of "realistic" health warnings.

"We intend to push to outlaw tobacco advertising and tobacco sponsorship," he said.

Tobacco curbs sought

BY LISA WOOD

THE BRITISH Medical Association (BMA), the country's main professional body for doctors, yesterday called on the Government to ban tobacco advertising and sponsorship, worth more than £100m a year.

The BMA, in launching a campaign against advertising promotion by the industry, said about 100,000 people a year in Britain died prematurely because of tobacco-related illnesses.

Dr John Havard, secretary of the BMA, said: "The tobacco industry spends millions of pounds employing advertising, public relations and

promotional experts to help them promote a product we know - and they should know - is directly responsible for disease, illness and death."

He described the present code on advertising as a "farce" and said he had written to the Government asking for the introduction of legislation to control tobacco advertising and sponsorship and the introduction of "realistic" health warnings.

"We intend to push to outlaw tobacco advertising and tobacco sponsorship," he said.

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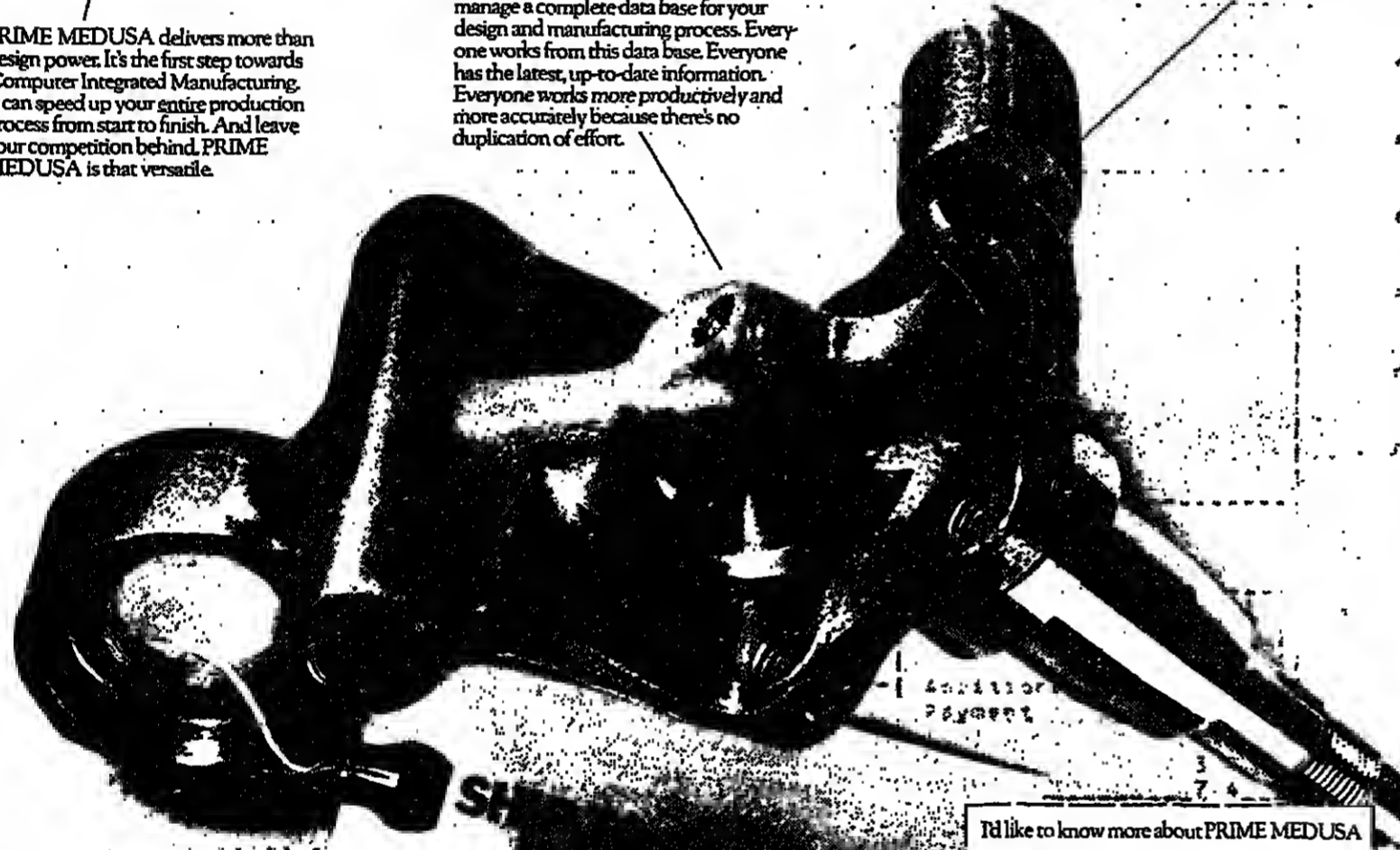


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UK NEWS

Singapore edition for Express newspaper

By Chris Sherwell

THE EXPRESS newspaper group is to print a Sunday "satellite" Express in Singapore for distribution in the Far East, starting on November 4.

The venture underscores the business opportunities opened by modern satellite communications and Singapore's substantial printing facilities.

The Singapore edition will comprise 56 pages - 48 tabloid-size taken from six daily editions and eight full-size from the Sunday edition wrapped around them. The paper will be distributed to Hong Kong and Australia as well as Singapore and Malaysia.

Readers in South-East Asia - expected to be mainly expatriates - will be able to read the Sunday pages before British readers wake up. If circulation reaches 5,000 in a one-month trial, the operation will be regarded as worthwhile and a larger readership will be sought.

The arrangement is the result of an active search for clients after the establishment of a satellite link by a joint venture between R. R. Donnelley of Chicago and Times Printers of Singapore.

Times Printers is part of the newly-created Singapore Press Holdings which will result from the merger of the country's major newspaper and publishing interests. It will be responsible for printing the Express, while Changi International Distribution Services will handle mailing and air freight.

Car sales incentives attacked

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

A SQUABBLE over the methods some car makers are using to preserve their market shares threatens to cast a shadow over the Birmingham Motor Show, which opens later this week.

Mr Peter Beaumont, managing director of Colt Cars, the company which imports vehicles from Mitsubishi, in Japan, brought the matter into the open yesterday when he claimed that during the last few days of September, more than 17,000 Ford cars were registered, compared with just over 25,000 in the past 20 days, while Nissan registered 60 per cent of its total September sales in the last 10 days of the month.

Mr Beaumont said he was concerned about the techniques used by companies to maintain a market share and "perhaps influence people's attitudes towards the success, or otherwise, of a model."

Ford is considering expanding the capacity of its new car diesel engine plant at Dagenham, near London, because sales have been well above expectations. Ford spent about £100m to bring the 1.6-litre engine to the market this year. Initial capacity at Dagenham is 150,000 engines a year, but this could be increased by a further 50,000. The engine is mainly used for cars in the West German, French and Italian markets.

Ford had a dealer incentive campaign which offered extra bonuses on the Sierra model. This came to an end in September. Ford's rivals suggest the company's dealers registered cars to win their bonuses even though they had no customers for the vehicles, which were then used as demonstrator models or sold through auction.

Ford is not alone in using this kind of campaign. One scheme by Austin Rover, the B.I. subsidiary, resulted in the company gaining nearly 40 per cent of the market in the first 10 days of October in time to give it the opportunity to boast about the achievement during the show.

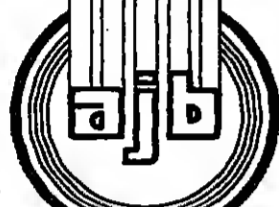
Mr Sam Toy, chairman of Ford of Britain, said yesterday: "You always get an explosion in registrations at the end of an incentive programme. Our dealers are very aggressive so they close a campaign more strongly than others." He denied that the process had any damaging effect on the values of used models.

Mr Toy said there were indications that all the car makers were taking a more sensible approach, and that extra bonuses to dealers would gradually become smaller and smaller until they disappeared. He indicated that Ford's present campaign was "low key" and effected Granada, Capri and Fiesta models. The 1985 Sierra was being supported only indirectly in that its price had not been lifted.

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Wider powers urged for fund managers

BY GEORGE GRAHAM

UNIT TRUSTS could be given a marvellous opportunity in the forthcoming government White Paper (policy statement) on investor protection to widen the powers of managers. Mr Stuart Goldsmith, managing director of Britannia Group, said yesterday. Returns for investors could then be improved without significantly increasing the risk.

Mr Goldsmith suggested that money and foreign currencies were the two main areas, at present barred to unit trust investment, where managers could be safely permitted to invest.

He was speaking on the second day of a conference on "Unit trusts - a major force in international investment," sponsored by the Unit Trusts Association and the Financial Times in association with Money Management.

Mr Goldsmith, noting the existence of offshore money funds and high interest bank accounts, said that there were already, in effect unutilised money market funds: "I do regard it as something of an anomaly that we cannot structure them in the form of an authorised unit trust."

Fund managers should also be permitted to use new hedging techniques to protect their units, Mr Goldsmith said. Back-to-back loans to protect against currency fluctuations were introduced at the time of exchange controls. Although futures dealings and currency options were at the moment expensive, for-

ward currency sales offer a far more convenient hedging instrument.

They should only be used in a conservative way to match securities that occurred naturally in the portfolio of the particular fund and not just for speculative purposes. With the same safeguards, he said, stock index futures and options could also be adopted.



Mr Bill Stuttford, chairman of Framlingham Group, said he would use neither index futures nor interest rate futures. "The really important thing is to get the shares right," he said.

He regrettably accepted the need for currency hedging. "We ourselves in my group believe that our unitholders judge us on our performance in sterling terms and would not forgive us if all our success in finding good investments was dissipated by a fall in currency."

Mr Stuttford warned against over-trading. "Sitting in your office all day you have to be very tough to resist all the tempting shares offered to you," he said. "If you are doing another job, and doing this as your hobby at 4.00 in the afternoon, you would probably have a much

better performance."

Miss Audrey Head, chairman of the Unit Trust Association and managing director of Hill Samuel Unit Trust Managers, cautioned that putting unit trusts under the umbrella of a wider self-regulatory agency might "have the perverse effect of making control more difficult."

A broader agency could, however, have beneficial effects in the sphere of professional competence. "It may well be that many of our problems would be more easily solved if investment management became a formally constituted profession," she said.

Mr John Kay, director of the Institute of Fiscal Studies, said that the "unexpected success" of the 1984 budget has led the Treasury to think of further steps towards the concept of fiscal neutrality. "The pattern of savings and investment is grossly distorted by the tax system," he said. "The pattern is so variegated, so random, that removing one fiscal privilege may or may not reduce the distortion."

Mr Kay said that little substantial change was likely on the two most prominent candidates for reform, tax relief on mortgage loans and pension funds. Removing relief on mortgages had been firmly vetoed by 10 Downing Street, while changing the tax treatment of pensions equitably and without some retrospective effect would be very difficult. It would probably yield only small increases in tax revenue.

Investment advisers should receive their fees from unit trust managers rather than from the investor, Mr John Greenes, managing Director of Richards, Longstaff, said. "An investor does not like paying fees out of pocket."

Mr Greenes suggested that there would be pressure for unit trusts to reduce the bid-offer spread in the pricing of their units. Dependent on this, introductory charges could be reduced and annual fees increased; investment advisers, meanwhile, would take less commission on the initial sale but would "participate in the annual management fee."

Mr Philip Stevens, director of investment management services at Hambros Bank, said the proposal that investment advisers should be paid annually by unit trust managers was tantamount to concealing the charge from the client.

Mr John Fairbairn, deputy chairman of M&G Securities, described the suggestion as interesting. "But why should we pay for a service you are providing for your client, not for us?"

The conference included a panel discussion of new marketing developments for unit trusts, with Mr David Bernstein, chairman of The Creative Business. Mr Brian Brown, managing director of TSB Trust Co, Mr James Berry, director of Berry Asset Management, and Mr Ian Swanson, managing director of Schroder Unit Trust Managers.



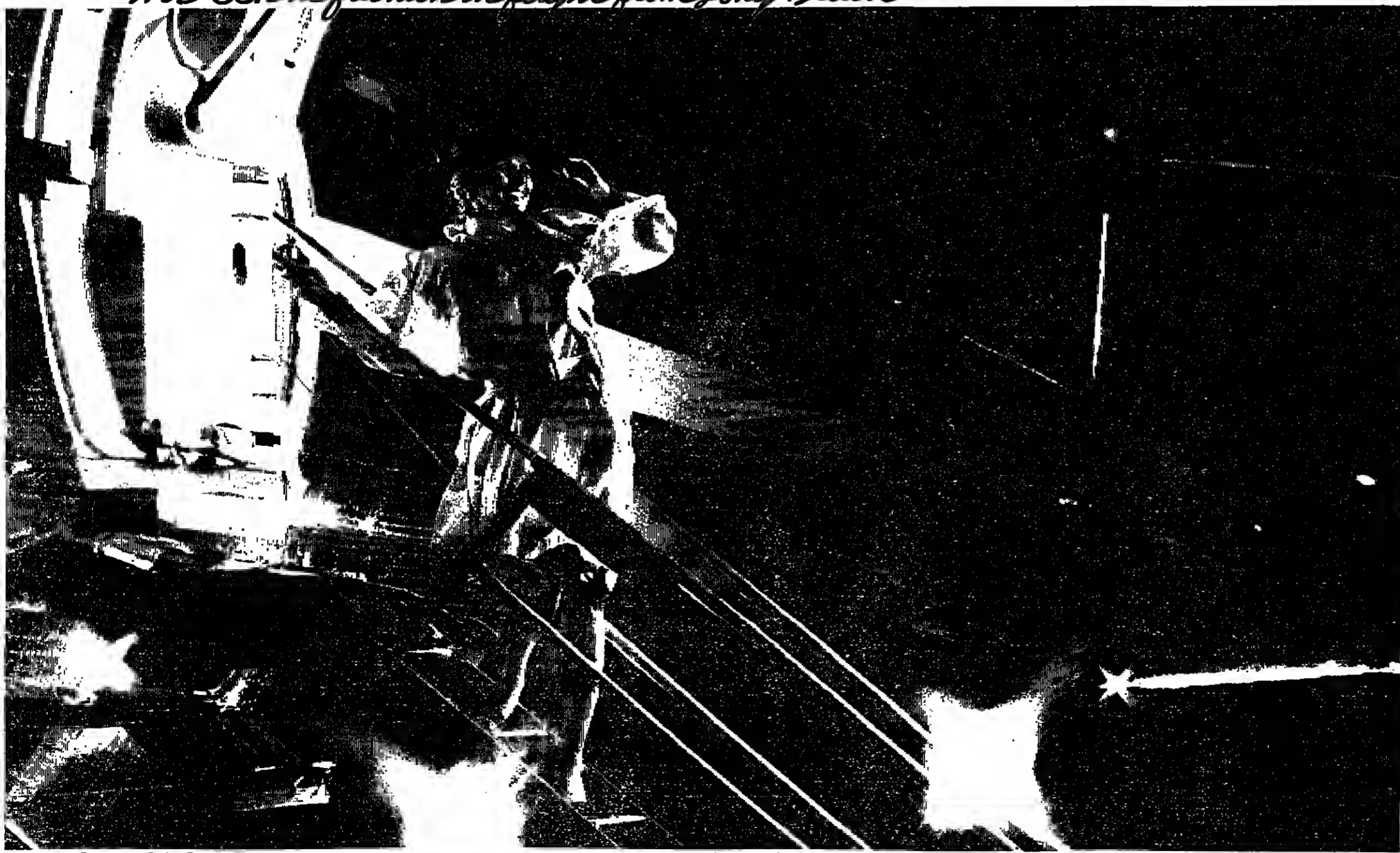
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FINANCIAL TIMES SURVEY

Wednesday October 17 1984

Today marks the inauguration of Mobil's Beryl B platform in the North Sea. Developed at a cost of £400m the project was brought on stream ahead of schedule in July and within budget

Beryl B

At peak, 5,000 jobs provided

The Beryl B platform inaugurated today represents the biggest commitment to the UK sector of the North Sea made in recent years by Mobil, the world's third largest oil company.

BY DOMINIC LAWSON

It will join its sister platform Beryl A in the work of producing oil from the Beryl field, 170 miles north east of Aberdeen. Beryl B is designed to extract 300m barrels out of the 800m stated reserves of the field.

Beryl B is at present producing about 40,000 barrels of oil per day, although it has the capacity to produce up to 100,000 b/d. According to Mobil, between them, the two Beryls will ultimately bring to the surface about 135,000 barrels of oil every day. That is nearly 10 per cent of this country's total daily needs.

"Beryl B is a 'plain vanilla' platform," says Mr Phil Irwin, Mobil's second in command in charge of its UK exploration and production. "but it does have some innovations and we're proud of it." Perhaps Mobil's greatest pride is in the fact that, at a development cost to date of about £400m, Beryl B has been installed ahead of schedule and under the cost forecast when development started in 1979. At peak, Beryl B gave employment to over 5,000 people and overall incurred 13m man-hours of work.

In a sense the Beryl B project began as long ago as 1975. At

that time the seventh well drilled on the Beryl oilfield showed that the field extended further northwards than had been realised, and identified the reservoir area of the Beryl B platform.

By that time the development of the original Beryl platform was already under way, but Mr Phil Irwin denies that Mobil's method of developing the field would have been significantly different had the company realised earlier the true shape of the giant oilfield.

Task force

After delineation of the reservoir, in the northern part of the Beryl block 9/13, Mobil started feasibility studies of possible production schemes in early 1977. Twelve possible production schemes were considered, says Mr Cullen Williams, Mobil Beryl B project manager. Originally, Mobil decided that a subsea production system would be the most suitable way of developing the accumulation, and in mid-1978 a project task force was set up to make a detailed study of such a development.

However, after the assimila-

tion of new and more detailed data about the area's reservoir and production potential, Mobil eventually came down on the side of a fixed steel platform development, providing that certain cost- and weight-saving innovations were incorporated.

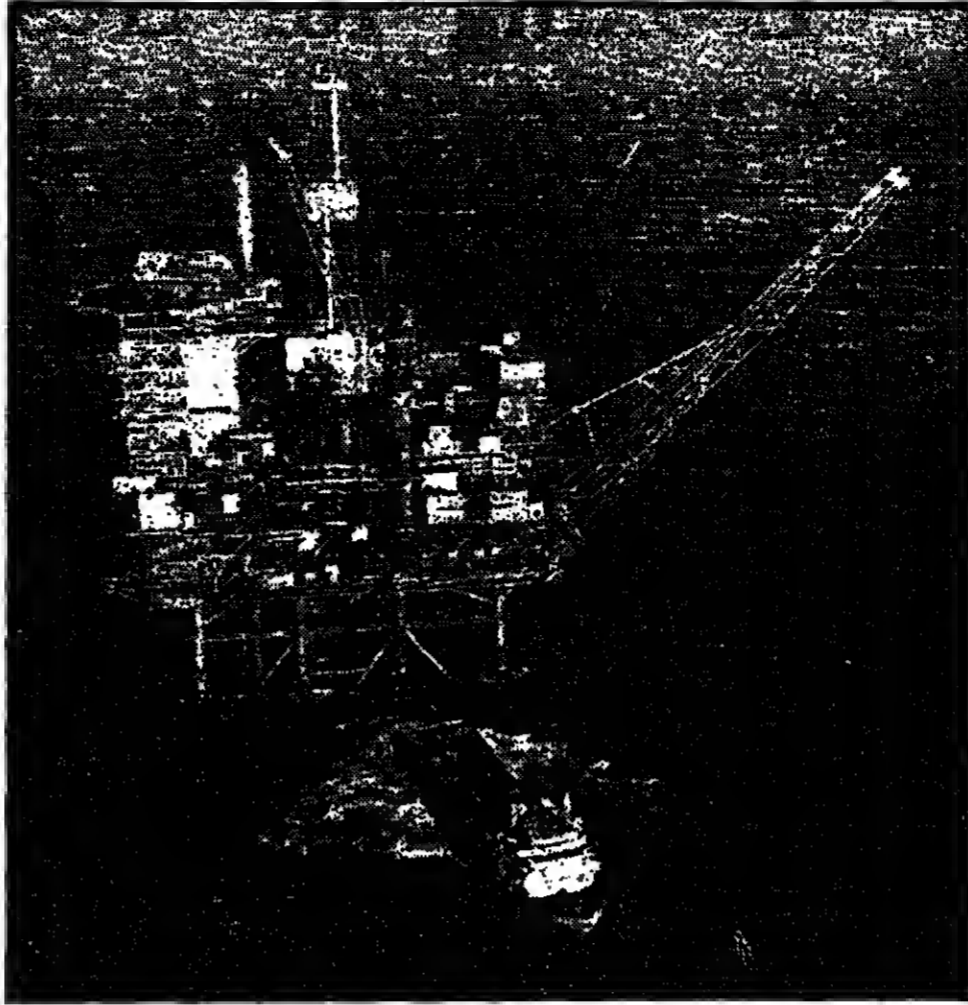
It was on this basis that Mobil submitted its development plan to the Department of Energy in spring 1979. The Department gave its approval in May 1980.

According to Mr Williams, there are four principal cost-saving features in the design of the platform:

- The use of a single separator and gas compressor train, using, wherever possible, electric motor drives for gas compression, in order to decrease the number of bulky and heavy turbine drivers.

- The drilling bay is unusually located in the centre of the platform, thus decreasing the weight and cost of the main structural elements of the platform and topsides.

- The construction of the largest possible onshore fabricated modules that could be handled by the heavy lift offshore construction vessels. The idea—and eventually the result—was the minimisation of the total installed weight of offshore hook up time. Mr Williams claims that the time taken for the offshore installation of the jacket and decks was "shorter than any other



Beryl B platform lies 170 miles north east of Aberdeen and has the capacity to produce up to 100,000 barrels of oil per day

major platform that we know of."

- A seabed drilling template with six wells pre-drilled by a floating drilling rig, in order to achieve production as soon as possible after platform installation. Mr Williams says that the installation of a major platform jacket over a pre-drilled template has not previously been done. He points out that the operation took Mobil less than eight hours.

The Beryl B platform contains three semi-integrated deck levels, two for the production equipment and the other for drilling. Each of these levels is supported by eight columns, which are themselves extensions of the legs of the jacket.

The accommodation of the Beryl B workforce is on five levels. The top three levels provide quarters for 200 people in two person cabins, each with a lavatory and shower. The two lower levels contain such facilities as dining rooms, cinema, offices, recreation rooms.

Jobs for women

Note the use of the words "people and persons, rather than men." Unique among UK North Sea platforms, Beryl B's workforce has a sprinkling of women, albeit largely employed on the catering side.

According to Mr Williams one of the effects of this is that the men in the platform appear far more presentable than the stereotype of the North Sea "hard hat". Most UK North Sea operators

seem to regard the presence of women on a North Sea platform as being as dangerous a distraction as alcohol, which is forbidden. Mr Williams says that this attitude is "nonsense."

Perhaps Mobil's avant garde attitudes are conditioned by its experiences as operator in the far more liberated Norwegian sector of the North Sea. Hundreds of women are employed by Mobil on the giant Norwegian Statfjord field, where they even have their own discotheque.

Although Beryl B will have the capacity to produce from an eventual total of 14 wells at a rate of 100,000 barrels of oil per day, it is not intended to produce at much more than 85,000 b/d at peak.

North Sea operators tend to

Contents

Mobil in the North Sea	2
Solving the geological puzzles	2
Beryl's gas-gathering plans	3
How the contractors came together	4
Outlook for smaller oilfields	4
Vexed question of UK content	5
Technology to the aid of docking the jacket	5

aim above all at the fastest possible depletion of a reservoir, so as to get the quickest possible return on investment. Mobil however also pays great heed to the needs of its refinery at Coryton and that plant's requirement for a steady long-term supply of crude.

For this reason Mr Irwin argues that the very extended two stage development of the Beryl field had the advantage of providing a longer-term period of stable UK crude supplies for its UK refining and marketing operation.

After all, since Beryl was discovered in May 1972, Mobil has yet to find a field of remotely comparable size in the UK North Sea.

A growing trend under the present regime at the Department of Energy is the stressing of the need for UK content in North Sea development work. The Offshore Supplies Office of the Department of Energy requires that at least 70 per cent of the value of such projects should be UK-based.

Mobil proudly claims that, despite the fact that there are no UK suppliers of heavy lift vessels, it still managed to place 80 per cent of the value of Beryl B work in this country. No other major offshore installation has equalled this percentage, according to Mr Williams.

The main contractors for the Beryl B project were:

- The topside design, engineering, purchasing and fabrication was assigned to Bechtel GB. Bechtel then subcontracted:

- The deck fabrication to UTE in France, and Cleveland Offshore on Teesside. The living quarters were subcontracted to Redpath Engineering in Middlesbrough, and the flare boom to Motherwell Bridge, of Leigh, Scotland.

- John Brown Offshore was given the task of the design, fabrication, and installation of the steel jacket. JBO subcon-

tracted fabrication to RGC/UE at Methil.

- The Dutch Company Heerema Offshore Contracting carried out the installation of the platform.

- The Aberdeen-based AOC International performed the hook-up offshore.

That will no doubt earn Mobil many brownie points at the Department of Energy when, early next year, it evaluates oil industry bids in the forthcoming ninth round of UK oil and gas licences.

Rolls-Royce engines

As part of its vetting for that round the Department has, for the first time, made contribution to UK research and development stand-alone criterion which must be satisfied by applicants for offshore acreage. Here, too, Mobil's Beryl B project will put it in a very strong position.

The platform's gas compression and electricity generation are powered by Rolls Royce RB 211 "Jumbo" engines. This is apparently a North Sea first, and the adaptation of the Rolls Royce engines was the result of considerable joint research by Mobil and the UK company.

Beryl B is not the end of the Beryl story however. Mobil has identified a further, unexploited area of the field, called South West Beryl. While Mobil will not reveal what the reserves are in this portion of the field, it admits that it is already in the process of carrying out feasibility studies for developing SW Beryl.

Finally, Mobil will be carrying out wildcat drilling of other parts in the Beryl block before it has to relinquish 50 per cent of the measured block at the end of 1986, Mr Irwin says. "We fully expect to find additional oil accumulations."

When Mobil paid the Government £5.5m in 1971 for the right to drill on Block 9/13, it can hardly have realised what a bargain it was getting.


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Overall project management

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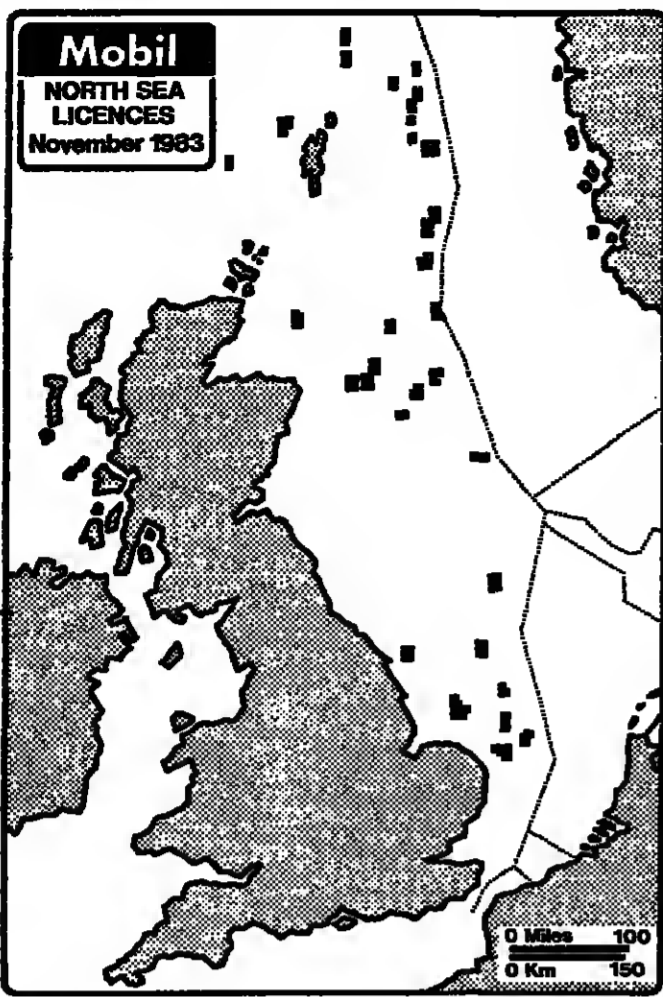


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BERYL B — 2

An assessment of the U.S. oil giant's role in the U.K. sector of the North Sea. **Dominic Lawson reports**

Looking for fresh fields to conquer



Mobil owns outright or has a stake in the North Sea blocks shown

MOBIL HAS learnt a lot about the politics of exploring for oil and gas in the North Sea since its participation in the first round of North Sea licences back in 1964.

In that round, Mobil had identified the best acreage in advance by seismic surveys. So it applied for those areas in a consortium of one—Mobil, 100 per cent. Not too clever. The same acreage was bid for by another U.S. company Amoco, which much more tactfully chose the British Gas Corporation as a partner. Result: Amoco, not Mobil, now has large stakes in the two biggest gas fields discovered in the UK North Sea.

By the time of the fourth round of North Sea licences in 1971, Mobil had learnt a lesson. The Mobil-led consortium which won the fourth round acreage containing the 800m-barrel Beryl oilfield, was a well-balanced four-company effort with British Gas in for a handy 10 per cent. (That stake is now held by Enterprise Oil, the company set up by the Government to take over the oil assets of British Gas.)

In a sense it is artificial to look at Mobil's contribution to the UK North Sea in isolation. The company's biggest contribution to the transformation of the North Sea into a major oil

province came on the Norwegian side of the median line.

There Mobil discovered and developed the largest oil field in the North Sea—Statfjord—which contains 3.3bn recoverable barrels of oil and 100bn cubic metres of gas.

Although the south-west portion of the field extends into UK waters, it remains very much an operational concern of Mobil's Norwegian subsidiary.

It should also be noted that Mobil discovered the first North Sea field of all—the Ameland gas field in Dutch waters.

In tune

However Mobil's role in the UK sector of the North Sea is pretty much in tune with the status of the world's third largest oil company. It ranks sixth in UK North Sea acreage held, with interests in 40 blocks covering over 1.5m acres.

Mobil's oil production from its interests in the Beryl, Hutton, North West Hutton and Fulmar fields is expected to amount to 90,000 barrels a day by next year, making the company Britain's fifth largest oil producer.

At the same time it has gas production from the East Leman and Victor gas fields. The statistics do not take

account of the imminent completion of Mobil's takeover of Superior Oil. The merger of Mobil's North Sea interests with those of Superior is not yet complete.

These interests are naturally in the mature producing areas of the North Sea. But Mobil has also been active in some of the more exotic oil exploration efforts offshore the UK. Most notably it was one of the few companies to engage in the expensive and high risk drilling campaign in the South West Approaches.

Unfortunately for Mobil—and for the prospects of a revival of industrial activity in Cornwall—the SW Approaches turned out to be a write off. While there were geological structures with the potential to contain large oil fields, there was a complete absence of source rocks—the key to transforming organisms into hydrocarbons.

At the beginning of this year Mobil chose to relinquish all its interests in the SW Approaches, a clear expression of disillusionment.

However in the forthcoming ninth round of UK oil and gas licences the Department of Energy is introducing the oil industry back into frontier areas

of exploration. If you want a good chance of getting the prime acreage on offer in the mature North Sea, the Government is now telling the oil industry, you must also "volunteer" to explore in such areas as West of Shetland, and West of Scotland.

Little interest

Hitherto Mobil has showed relatively little interest in such areas, when they have previously been open to bids. Officially Mobil will make no comments about its intentions for the ninth round, on the grounds that to do so would break commercial confidences. But, says Mobil's second in command of UK exploration and production, Mr Phil Irwin "it is a fair assumption" that Mobil will be getting its feet wet in the hazardous waters west of Shetland. Whether Mobil will do so with great enthusiasm is harder to assume.

It appears that Mobil's greatest hopes are in the most mature of all the North Sea areas—the Southern Gas basin. Mobil's present fascination is with a new geological play in that area—the carboniferous rocks, many thousands of feet beneath the Rotliegendes zone that has been the source of most

of the present gas-producing fields.

As a result of a carboniferous gas find in the Dutch sector, Mobil is now searching with British Gas as operator in an attempt to find a field on the same trend in UK waters.

British Petroleum is thought to have already made a carboniferous gas find in the southern basin, and it would not be surprising to see Mobil bidding very aggressively for acreage in that area in the ninth round.

Hitherto, Mobil has been entirely absent from the quest for oil and gas offshore the UK. However, like the rest of the oil industry, Mobil has been impressed by the recent success rate of companies exploring in the South of England, particularly in Dorset and Hampshire.

Now the giant U.S. oil company is considering a belated entrance into the onshore scene. It has been studying seismic surveys of various UK basins, and is now waiting for the first formal onshore licensing round, expected from the Department of Energy very shortly.

There seems a good chance that Mobil will use this opportunity to make its UK onshore debut although Mr Irwin readily

admits that most of the prospective onshore acreage is already licensed.

Even without the addition of new acreage, Mobil will have much to do in the UK. It will be participating in the attempt to solve the problems that have arisen in the North West Hutton field where it holds a 20 per cent stake.

Amoco, the operator, had originally projected reserves of 300m barrels and production of up to 90,000 barrels of oil a day. But the company met unforeseen problems with the complex and highly faulted reservoir, and is now unable to produce more than 50,000 b/d.

Mobil will also be active in continuing to exploit the Beryl field. The area known as South West Beryl will almost certainly be developed, and there may be still other accumulations on the Beryl block.

Finally, Mobil will be busy assessing the interests of Superior Oil in the North Sea, after the takeover of that company by Mobil's U.S. parent, "While Superior is not an operator in the North Sea, and its interests are not considerable, this task will still be high priority for Mobil in the months ahead."

The complex geology of the Beryl area suggests more rich finds

Why more discoveries are likely

MOBIL IS understandably reluctant to talk right now about the prospects in and around the Beryl area. Applications for the UK's ninth licensing round are due in on December 17, and two of the blocks to be auctioned to the highest bidder are just to the north of the Beryl block 9/13.

These blocks, 9/5b and 9/7 will not only be of interest to Mobil. Mobil and the operator of the 9/8a block (which hosts the Bruce field), Hamilton, do not doubt believe that they know the most about the geology of the area and thus have the strongest reason to buy the blocks.

However, some of the additional potential of Beryl and the surrounding area is already known, while its complex

geology has been explained in great detail recently, courtesy of the location document for Enterprise Oil. Enterprise was banded the 10 per cent stake in the field of one of the four discovery partners, British Gas Corporation.

Last summer, in preparation for the ninth licensing round, Mobil brought into the North Sea the world's most sophisticated seismic survey vessel, its own Mobil Search. During its surveys around Beryl, it took a fine detailed look at an area in the north of 9/13b, which may tip over into the 9/5b block up for the offer in the ninth round.

This is an area of Mobil's block about which no details have been published and which is undrilled. It could be very

interesting, however, because it lies between the west of Beryl B and Bruce. Is it oil or is it, like Bruce, gas condensate?

Only drilling will answer for sure, but with the unexpected discovery of oil in the most southerly well drilled on Bruce block 9/8a, (9/8a-S) the chances are that another oil fields awaits discovery.

Confident

Mobil is confident that it will discover several more oil accumulations on its two Beryl part-blocks. It seems to know the area quite well by now. In 1977 the Beryl group had to surrender 50 per cent of 9/13 and managed to relinquish a complicated pattern of acreage that left it, in addition to the 800m

barrels of oil in Beryl A and B, two structures now labelled south-west Beryl, with around 100m barrels, and another structure to the north of south-west Beryl where oil was struck with 9/13-23, just this year.

Of course, as Mobil was able to buy back the relinquished area for £5m in the seventh round, the brilliance of the relinquishment is a bit academic. But it must boost the exploration confidence at Mobil enough to keep looking.

The decision on whether to develop south-west Beryl has yet to be taken, but this is being actively considered. Much will depend on the complex geology of the area and will be decided on the economics of a development.

A fixed platform such as

Beryl B is virtually out of the question for reasons of cost. Whether the geology will co-operate is another matter. Even giant Beryl A had difficulty with its first production wells. As reservoir information was honed, this problem was quickly overcome.

Describing the geology—the stuff of prospectuses like that of Enterprise—is not simple. But for those interested in the complexities of the Beryl area, here it is in greater detail:

The Beryl field is located in the central part of a deep basin, east of the Shetland Islands, called the Viking Graben. The northern part of the Graben has produced many of the most prolific oilfields in the UK sector to date.

Although it took only two wells to establish the commerciality of the southern part of the field (Beryl "A"), the widely varying results of subsequent wells was indicative of the complex geology of the field.

The Beryl A area is, nevertheless, large and oil is found in sandstone formations of several geological ages — Upper Jurassic, Middle Jurassic, Lower Jurassic and Triassic. Most of the oil is produced from the Jurassic. The Triassic contains oil but reservoir characteristics are poor.

In drawing up a geological map for Beryl, Mobil devised its own nomenclature for the different reservoir formations. About 75 per cent of the oil in the Beryl A area is produced from a Jurassic formation called the Upper Beryl. This comprises a fine and very fine grained silted sandstone layer.

According to Energy Resource Consultants (ERC), the reservoir quality of the Upper Beryl is excellent with high porosities (open spaces in the sandstone), permeabilities (the ability of the sandstone to allow oil to pass through it) and net gross ratio (the percentage of the total hydrocarbon-bearing column that is producible).

Recovery factor

Recovery factor from the Upper Beryl will be high, say ERC. Unlike most North Sea reservoirs, the Upper Beryl responds better to gas injection than water injection to maintain reservoir pressure.

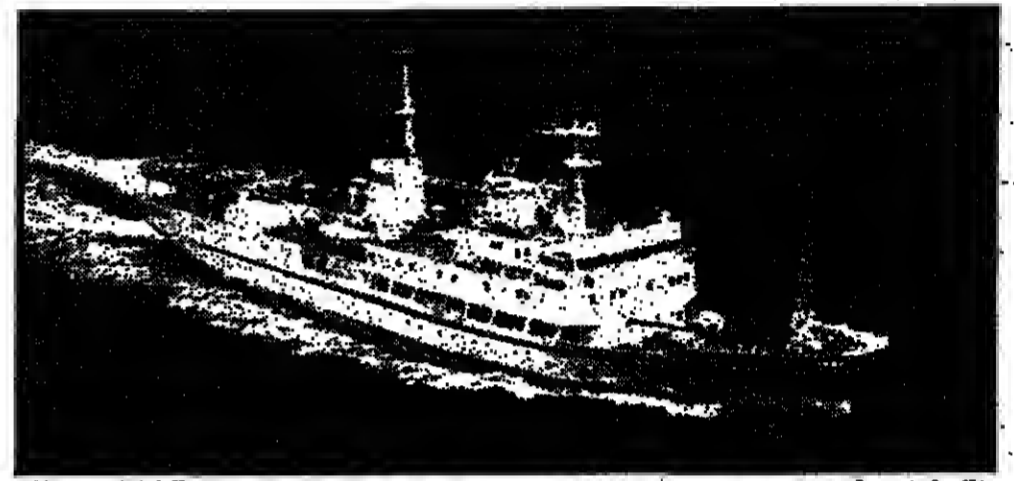
Underlying the Upper Beryl are the Middle and Lower Beryl formations, also of Jurassic age. However, unlike the Upper Beryl, these formations are highly faulted and do not have good reservoir characteristics (i.e. porosity, permeability and net gross ratio). Well performance in these zones has been poor.

The Triassic formation, called the Lewis, is made up of alternating shales and sands of generally poor quality. This zone, too, is heavily faulted and recoverability will be poor. Porosities, permeabilities and net to gross ratios in the lowest regions of the formation are poor, although reservoir quality improves further up the sequence.

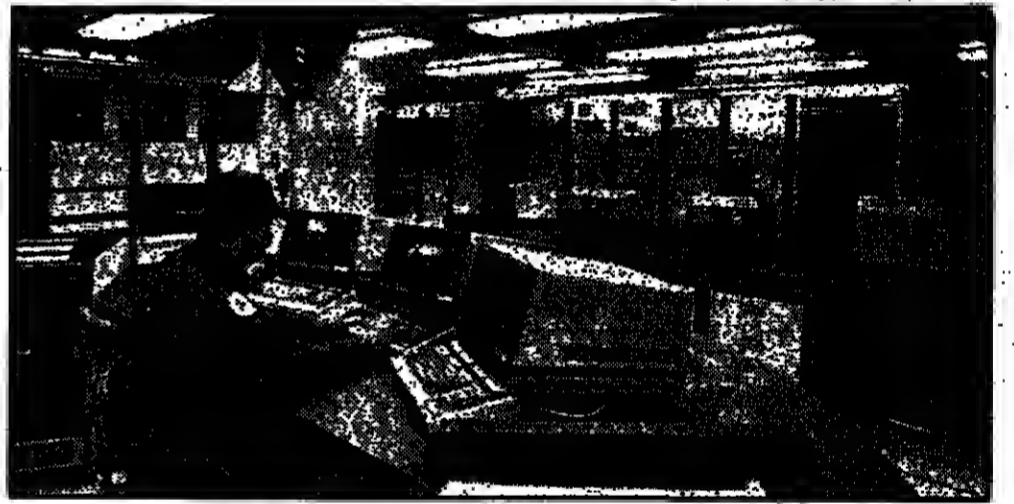
Overlying the very top of the Jurassic Beryl formation, in the Upper Jurassic, is what Mobil calls the Bruce formation—no relation to the Bruce Field. It comprises a fine and very fine grained clean sand but while reservoir quality of the sand is good its reserve potential is limited.

The Beryl B area, north-west of A, is characterised by a series of north north-east-south south-west trending tilted fault-blocks. It contains the same sand reservoirs as in the Beryl A drainage area but almost all the reserves potential is in the Upper Beryl.

As in Beryl A, the Upper Beryl formation in B is of



Above: Mobil Search, the largest and most advanced seismic vessel yet built. Below: a technician monitors data acquisition terminals as his counterpart (in background) monitors navigational terminals in recording room of vessel



There's a new girl on our block

Beryl B is her name. And though she's yet to make her formal debut, Beryl B is already earning her keep, producing oil from Block 9/13 — Mobil's biggest operation in the British North Sea.

Newcomer though she might be, Beryl B has great connections. In only eight years, her elder sister platform, Beryl A, has produced more than 200 million barrels of crude oil.

Between them, the two Beryls will ultimately bring to the surface about 135,000 barrels of oil every day. That's nearly 10 percent of this country's total daily needs.

Or, to look at it in fiscal terms, it's roughly equivalent to a daily contribution to the Exchequer of £2 million.

That's big money to be generated by such a pair of comparative youngsters. But then, Mobil and its fellow venture participants brought up the Beryl girls to be a sister act that's hard to follow.



Mobil Beryl B

Mobil North Sea Limited

excellent quality. The area also contains gas reserves, in solution and as a gas cap overlying the field.

There is a further potential on both 9/13a and 9/13b. The main additional prospect is Southwest Beryl, about four miles southwest of the Beryl A platform. Southwest Beryl, which contains two separate accumulations of oil, was discovered by wells 9/13A/4 and 9/13A-18. It also extends west into Union's block 9/12, where oil, gas and condensate has been tested.

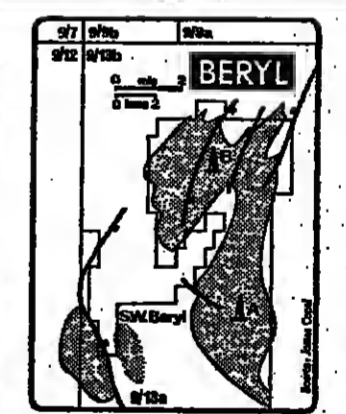
Oil reservoirs exist in the Jurassic (Bruce and Upper Beryl formations) and in the Triassic (Lewis). Gas and condensate is present in the Jurassic (Upper Beryl).

The reservoir properties Southwest Beryl formation are moderate and recovery factor is estimated by ERC at 20-30 per cent.

But, the Upper Beryl reservoir has shown high porosities, permeabilities and net to gross ratio and ERC estimate oil and gas recovery factors of between 45 and 60 per cent and between 75 and 85 per cent respectively.

The average condensate yield they estimate at 30m barrels of gas. Permeability in the Southwest Beryl Lewis formation is low and accordingly the estimated recovery factor is 15-20 per cent.

John Brown Offshore has



GEOLOGICAL LOCATION		
BERYL A		
	Oil in place (mmbbls)	Total recoverable (mmbbls)
Upper Beryl	629	336
Middle Beryl	64	11
Lower Beryl	148	31
Lewis	278	42
Bruce	46	10
Total	1,165	430

BERYL B		
	Oil in place (mmbbls)	Total recoverable (mmbbls)
Upper Beryl	658	283
Middle/Lwr. Beryl	35	5
Total	693	288

Source: ERC.

on 9/13b (reclaimed by Mobil in the seventh licensing round, in 1960), the well was accepted by the Department of Energy as part of a four-well commitment on 9/13b.

It was through this suggested Mobil was looking for a reservoir in similar conditions to that found in Southwest Beryl. Although Mobil has not released a result for the well, it was acknowledged in the Enterprise Oil prospectus as an oil discovery.

Meg Leitch
James Ball
James Ball is editor of the newsletter FT International Gas Report.

KCA's got designs on Beryl

When Mobil first introduced us to Beryl Bravo in 1980, they told us she had to watch her weight. She needed to stay slim so that everything would fit neatly into her jacket. The last thing they wanted was an overweight North Sea lady.

So, weight watching KCA engineers designed a light-weight, compact drilling rig package — the lightest in the North Sea, we believe.

Through undertaking conceptual design, detailed engineering, construction supervision, hook-up, handout and commissioning, KCA Drilling has become firmly attached to Beryl Bravo. We're now engaged... on drilling her first production wells. More will follow.

Right now we feel we're almost one of the family, for we've known her sister, Beryl Alpha, since we started drilling for Mobil North Sea Limited in 1976.

KCA Drilling Group — Britain's most experienced international drilling contractor.

KCA Drilling Group P.L.C.
KCA House, 227 Shepperton Road, Uxbridge, London W6 7AS
Telephone: 01-747 4811 Telex: 28285

BERYL B — 3

The debate goes on over a gas-gathering link up in the UK sector. James Ball reviews the arguments

Beryl gas: still waiting for a pipeline

AS FAR BACK as April 1980, October 1984 was foreseen as a very special month indeed for Beryl gas: it was to have begun flowing through a new UK gas-gathering pipeline network.

A joint Mobil/British Gas Corporation study at the time recommended a preferred system out of five possible options and indicated "the construction programme needed if the system is to be in operation by October 1984."

What the study did not say was that the idea of reviving plans for a UK northern North Sea gas-gathering line stemmed from a Beryl request.

The Department of Energy (DEA) requested that Mobil and BGC examine a larger project than Mobil's original proposal for a Beryl-only gas pipeline.

Subsequently, the UK Government first backed and then scrapped the idea of a UK gas-gathering line. But between the 1980 study and now, the Norwegians have gone ahead with their own gas-gathering line (Statpipe). Other UK pipelines have been built.

But throughout the past four and a half years the idea of some form of UK gas-gathering scheme has been raised over and over as the adequacy of UK gas reserves are continually debated.

Starting point

Since Beryl was the starting point for this debate, it is worth looking again at the 1980 proposal and asking whether events since have altered the chances of Beryl gas coming to market.

Put simply, the option suggested by Mobil and then Beryl partner BGC (the stake has since been handed over to Enterprise Oil) was to build a gas and gas condensate gathering line to take, on average, 1,577m cubic feet a day (mcf) combined from Norway's Statfjord field, the northern UK oil fields of Magnus, Thistle and Marchion, central fields around Beryl (including Beryl B and Beryl SW); it would also pick up Brae gas before heading ashore from a junction platform

on the Theisma field. A southern leg was to collect gas from fields between the junction platform and Fulmar in the south, including Andrew, Lomond Clyde, and Josephine. As proposed then, the system's main advantage was seen to be its ability to be at once "economically robust to conservative estimates about reserves," while being "less risky in economic terms" than either a smaller or much larger system.

In addition to gathering gas from fields then able to send gas to market, "provision should be made," the report said, "in the design to link up additional fields expected to come into production in the late 1980s and 1990s."

Accordingly, it was to have had a tolerance to take different qualities of gas ranging from relatively "dry" gas to gas heavily mixed with "condensates" (the heavier hydrocarbons, which, at some point are separated from the gas stream for other uses).

To cope, the line was to have been heavily pressurised (1600 to 2500 psi) so that the liquid components stayed in the gas stream as a fine mist until it was separated out on shore and transported to a special terminal or petrochemical complex at Nigg on the Cromarty Firth.

The advantage such a system has is that it can tip the balance in favour of a marginal field development decision while, on the other hand, until new fields join the system it is an investment made too early. Likewise, to cater for different gas qualities, it must of necessity have to operate over a wider range than a pipeline dedicated to one type of gas and this adds to cost.

Mobil and BGC were not alone in believing the UK gas gathering line to be viable. But much of the oil company opposition—both then and now—is a shared facility boils down to these two problems; timing and specification.

A company which builds its own line knows when it is needed and only designs enough tolerance for its own type of gas. But the 1980 study argued

that a UK pipeline—including gas from Norway's share of Statfjord—would cost £1,074m to build and have room for future gas, while a line for just the central fields—with Beryl B as the most northerly—would cost £524m, carry only around 700m cf on average and have little room for future expansion.

The study's figures were more than rough calculations, as events showed: one part of the line has been built since, the Northern Leg to Magnus, Thistle and Marchion. It cost just less than £90m, the amount Mobil/BGC's study projected.

Connection

The Northern Leg pipeline today, however, connects to Shell/Esso's FLAGS pipeline. Statfjord and Heimdal are connected to Statpipe in Norwegian waters, with only a tiny amount of Statfjord gas—the UK share—pegged for UK delivery.

Shell/Esso are now building their own line to carry Fulmar and Clyde gas to St Fergus. And, if the Sleipner pipeline is built, it will provide a conduit for much of the gas from northern UK gas from oil or condensate fields, along its route pushing back the day when, some still hope, a gathering line will collect northern UK gas.

Where does this leave Beryl? It can probably join the trend back to individual lines and support a direct gas pipeline to shore—industry sources indicate that this is an economic option, and always was so. Furthermore, the UK DEA is unlikely to take a development bid a second time around. So, the most likely option now for Beryl gas is to go to market when the oil fields in which it is found no longer have a useful function for gas. Right now that is not the case.

If Mobil can wait, by 1992 the Frigg field is expected to run down, freeing an existing line to take other gas. In 1984 it is not an option, in future it could be the best option. Unlike Beryl, Frigg gas contains next to no gas liquids. For the twin Frigg gas lines to be used for gas from Beryl or

other fields in the area, it would have to be converted.

As for a market, Mobil already has a contract with BGC for its 50 per cent share of Beryl gas. But this was signed when the gas-gathering line was a serious prospect. Mobil, its partners and BGC would be more likely to start all over again if Beryl gas was to be offered for sale. BGC is, however, the likely purchaser albeit at a slightly higher price than that offered to Mobil in 1980.

There was much talk when Norway was planning Statpipe of an urgency to start producing Statfjord gas. The reason for the urgency is that gas could have begun to bubble up through the oil wells, troubling oil production and making reinjection of gas into the reservoir more difficult.

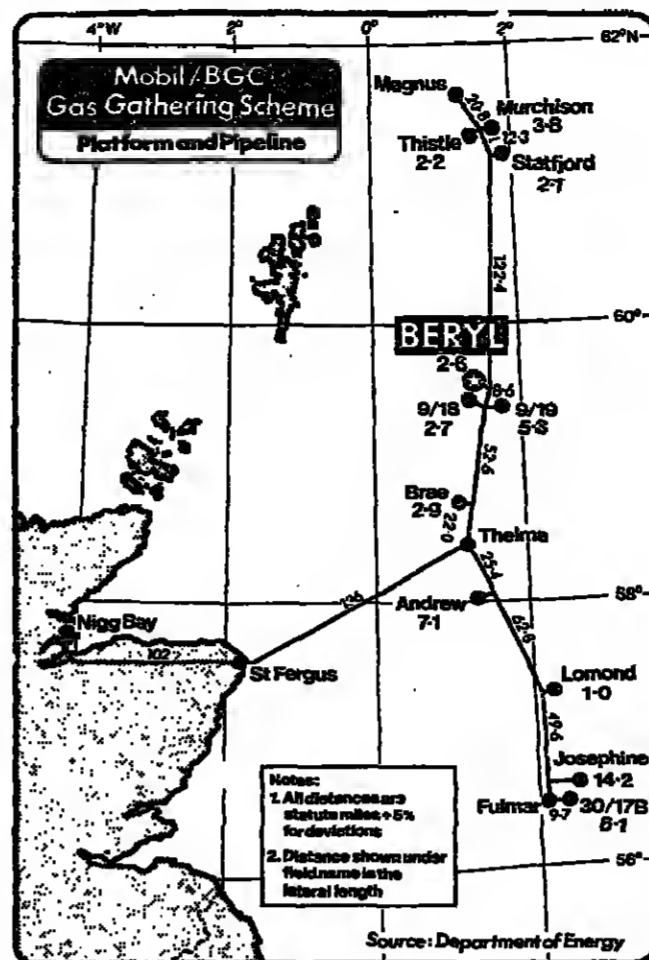
Beryl's two producing fields do not have this problem because they are inclined, making a natural separation of gas at the top end of their respective reservoirs occur instead. Theoretically, Beryl A could be produced until no more oil could be removed before the gas need be produced, whereupon it could be produced as a gas field. But as gas is a less efficient flusher of oil than water, there would be no compelling reason to keep reinjecting gas which could be sold today.

Floundered

However, because the first plan to market Beryl gas floundered and it has continued to be reinjected, Mobil is understood to have discovered that the gas is improving oil recovery by effectively dissolving some of the residual oil which normal production and water injection would have left behind.

While Beryl A is undersaturated with gas, meaning that it has no gas "cap" and the gas dissolves into the oil, Beryl B has a gas cap already in place and a greater gas-to-oil ratio (GOR). The oil is saturated with gas already.

There is thus less additional advantage to oil recovery from reinjecting its gas, but also more gas to separate from each barrel of oil before the oil is piped.



Beryl B reinjection system

The equipment to separate gas on Beryl B has to be simpler than for earlier fields in the North Sea to keep platform weight down. Accordingly, it was decided to have just one "train" of gas separation rather than installing a complete back-up facility.

The job of a gas processing train on a field like Beryl B is to both separate gas out of the oil so that the oil is safe to load on to tankers and also to boost the gas up to a high pressure for reinjection into the field reservoir.

On many fields, some gas is held back to fuel the platform equipment. On Beryl B, the use of gas as a fuel is kept to a minimum, and the use of electric motors maximised.

But in the gas compression process itself, a Rolls-Royce RB 211 gas-powered turbine is needed to boost the pressure of gas in the middle of three compression stages.

It works like this: 90 per cent of the gas is separated in a first stage separator and sent to the medium pressure compressor—the one powered by the RB 211.

The remaining 10 per cent is removed in a single atmosphere, second-stage separator and sent to an electric motor-driven low-pressure compressor. This boosts the gas to 18.5 atmospheres (268 lbs per sq in psi) pressure.

The medium pressure compressor boosts this gas and that from the first stage oil separator to 168.5 atmospheres while the final, again electric-driven, compressor boosts the pressure to 379 atmospheres—almost 5,500 psi—and sends it back into the reservoir.

At full oil production design capacity, 100,000 barrels a day, 128m cf of gas will be reinjected. Should any of the compressors fail, the gas cannot be channelled into a back-up system—there isn't one—so it is flared.

When, one day, the gas is sold, the equipment used for reinjection today can then be adapted to pump gas into a pipeline system instead. And the possibility of the Beryl B platform rather than Beryl A being the embarkation point for all Beryl gas cannot be ruled out.

Vital statistics about the Beryl field

BERYL FIELD DATA

License Block: 9/13a
Government license awarded Block: 9/13: 1971
License payment: £6.3m
Water depth: 396 feet
Block area: 51,850 acres
Reservoir depth (average): 11,000 ft subsea
First oil discovered (Well 9/13-1): May 1972
Transportation: Three dedicated tankers loaded from two single point moorings
Equity interest owners: Mobil North Sea (Operator) 50%; Amerada Hess (UK) 20%; Texas Eastern North Sea 20%; Enterprise Oil 10%

BERYL B PLATFORM DATA

Development approval: May 1980
Production start-up: July 1984
Production
Ultimate oil recovery: 3,000 barrels
Oil production capacity: 100,000 barrels per day
Gas injection capacity: 132m cu ft a day
Number of wells planned: 14 producing wells; 5 water injection wells; 2 gas injection wells; possible 8 risers available for subsea well tie-backs
Pipeline to Beryl A: 5 miles, 20-inch diameter
Overall structure
Height, including rig: 225 metres
Height of bottom deck above sea floor: 142 metres
Design operating deck weight: 22,150 tonnes. Designed to withstand winds of 120 mph and wave heights of 30 metres
Steel jacket
K-braced steel structure
Construction started: March 1983
Installation: May/June 1983
Tow-out weight: 14,300 tonnes
Installed weight: 12,150 tonnes
Height: 130 metres
Top Dimensions: 22 x 50 metres
Base Dimensions: 55 x 60 metres
Steel Deck
Three levels, open semi-integrated design
Construction started: June 1981
Installation: June 1983. Dimensions: 64 x 40 metres. Accommodation module: 200 people.
Equipment
One drilling rig: Equipped with Varco's Top-Drive drilling system and Iron Roughneck. Power plant: Generators, capacity totalling approximately 39 mega watts.
Cost
Development cost of Beryl B area: £750m.

MAIN CONTRACTORS

Prime Management Contractor

and Topside Engineering: Bechtel Great Britain Limited. Jacket Engineering: John Brown Offshore Limited. Jacket: RGC Offshore Limited, and UTE UK Limited, Methil, Scotland. Accommodation Modules and Helideck: Redpath Engineering Limited, Middlesbrough, England. Upper Production Decks: Cleveland Offshore Limited, Middlesbrough, England. Lower Production Deck: Union Industriella d'Enterprise (UIE), Cherbourg, France. Flareboom: Motherwell Bridge Engineering Limited, Leith, Scotland. Pipeline Installation: McDermott International. Load-out and Platform Installation: Heeremans Engineering Service (UK) Limited, Offshore Hook-up: AOC International Limited.

SIGNIFICANT FEATURES

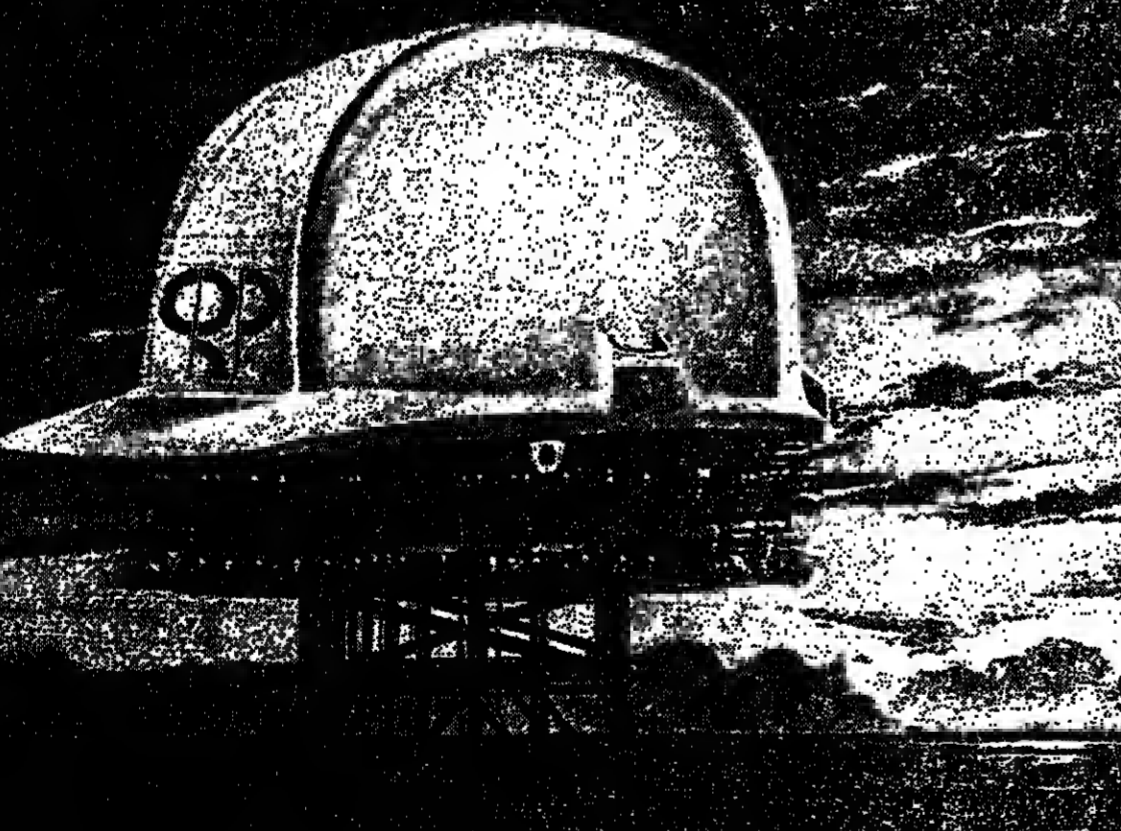
Beryl B was brought onstream ahead of schedule and within budget. Eighty per cent of materials and services for Beryl B were of UK origin. Near record speed of installation of platform from launching from barge to completion of deck lifts. The main gas compressor train is driven by a Rolls Royce aeroderivative gas turbine.

A single compact motor-driven centrifugal compressor is used for final-stage gas compression. Semi-integrated deck concept involved use of largest lifttable onshore-fabricated modules to minimise total installed weight and offshore hook-up. Drilling template and six pre-drilled wells were used to achieve high production as soon as possible after platform installation.

Platform was decked over template using a unique system of locating pins. Varco Top Drive system is used to improve drilling efficiency and safety. The system replaces conventional Kelly and rotary table with travelling rotary swivel, permitting 90 ft drilling between connections. Iron Roughneck is used to connect joints of drillpipe. Used in combination with the top drive system, a manual operation has been efficiently automated.

Aluminium drillpipe reduces total weight of drilling and lessens drag and rotary torque. This makes pulling the pipe out of the hole easier, with less chance of damaging the borehole.

Topside—we raise our hat to her.



The construction of topside packages for Beryl 'B' is a contract we view with pride. So we won't keep the details under our hat. The Teesside yards of Cleveland Offshore and Redpath Offshore built packages weighing some 10,000 tonnes.

These include two upper production and drilling decks with cranes and crane pedestals. Two living quarter modules with full amenities. And the helideck.

What's more, we also fabricated 2,850 tonnes of structural components for the steel jacket as well.

All in all, we're proud to have been involved in such a successful project.

Best wishes Mobil. Hats off to Beryl 'B'!

Europe's finest all-round capability for topside construction.



Cleveland Redpath Offshore Limited

PO Box 27, Yarm Road, Darlington, Co. Durham DL1 4DE, England. Tel: 03225/51188. Telex: 58313.

A member of the Topside House Group

Beryl's star turn

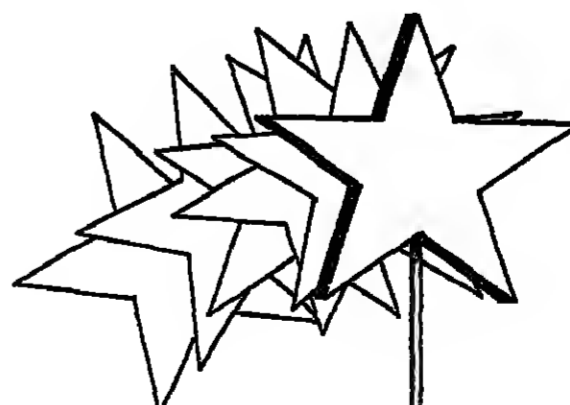
Though not among the North Sea giants, Mobil's newest offshore production platform isn't exactly sylph-like either. Twice as heavy as the Eiffel Tower, and with a profile that could, at best, be described as functional, Beryl B is hardly conventional star material.

Nevertheless, last year she performed like nothing short of a prima ballerina when her turn came to take centre stage in Britain's enduring North Sea spectacle.

On a misty day in May the 14,000 tonne steel jacket—130 metres tall and 60 metres wide—slid from her tow-out barge and pirouetted down to the seabed. Then the artistry began. With tolerances of only 3/4 of a degree, Beryl B delicately extended specially designed locating pins to lower herself with exacting precision over a pre-positioned drilling template. Illuminated by strobes and captured on television monitors, the whole performance took a suspenseful eight hours. And opened up a new era in offshore technology and techniques.

Just 23 days later the platform structure was, to all intents and purposes, complete.

Beryl B's lightning virtuosity might not have brought an audience to its feet at Covent Garden. But then, as Mobil and its fellow venture participants can attest, the North Sea is hardly Swan Lake.



Mobil Beryl B

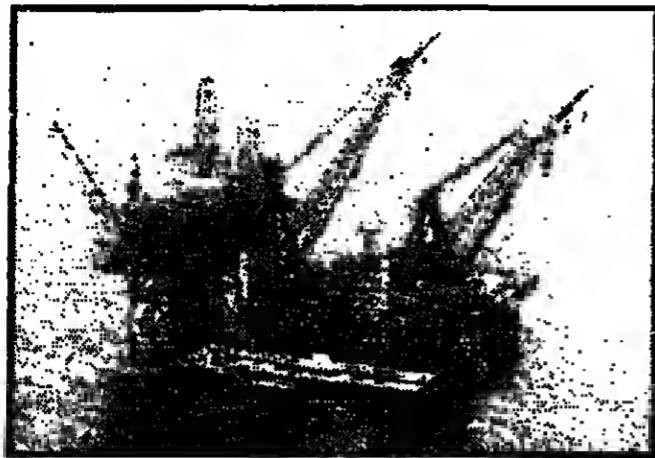
Mobil North Sea Limited

BERYL B — 4

James Ball charts the organisation behind the task

Where teamwork counts

IT TOOK more than 12 years from the time oil was discovered in the Beryl field in 1972 for the first oil to flow from the second platform, Beryl B. Even before the first major out-of-house design and management contracts were let in 1979, Mobil had undertaken a good deal of planning and design itself.



Mobil Beryl B with Heerema's derrick barge Balder alongside.

Between 1979 and the commissioning of the platform this summer, several hundred people were involved in the design and fabrication management of the project from the two main contractors, Bechtel Great Britain and John Brown Offshore.

Before they began however, Mobil deliberated in-house over the available options regarding the cost of installing a conventional platform seemed too great.

The UK Department of Energy, however, had long sent out strong hints to holders of large oil accumulations that it wants platforms (and the ensuing jobs), not subsea completions.

Rather than becoming involved in the long-running wrangle over this issue, which BP and the department entered into over Southeast Forties (the department finally won anyway and there will be a platform), Mobil set to work to come up with a cheaper platform concept.

Wrangle
The concept it arrived at was a lighter platform, achieved by integrating the structural strength of the jacket into the topside modules, rather than setting a module support frame on top of the jacket to hold structurally independent facilities. This, then, was the brief handed to the designers.

Because of the extra integration between the jacket and topsides, a project organisation structure was adopted where a main contractor, in this case Bechtel, had responsibility overall as well as for the topsides specifically, while John Brown Offshore was given responsibility for design, procurement and management of fabrication and installation of the jacket and template.

The project planning required a great deal of simultaneous activity as well, such as designing the jacket even after the template was installed on the seabed, and building the plat-

form concurrently with drilling the first production wells. At the crucial interface, between topsides and jacket, John Brown designed the lower integrated deck structure, while Bechtel managed its fabrication and installation.

Even after the project outline was decided by Mobil and handed to the designers, the go-ahead was not yet given. The project entered phase I where the plans were mapped out in greater detail and costed.

The design work in this phase, known as pre-engineering, or the conceptual phase, formed the basis upon which two crucial decisions were made about the future of the overall project: the final budget decision by Mobil and its three partners, Amerasia, Texas Eastern and British Gas, and the "Annex-B" approval by the Department of Energy.

Various concepts which provided the key to the overall aim of reducing weight were examined and cleared. These included the practicality and safety of centre-bay drilling, the integrated deck concept and running the platform principally on electricity rather than gas-driven motors.

Centre-bay drilling posed special safety problems because the normal practice is to put living quarters at one end of the platform and drilling facilities on the other, in case of wellhead fires. But it was chosen for Beryl B because a central location of the drilling and wellhead systems allowed a lighter jacket. The problem was solved by

designing fire walls between the drilling and living areas. The psychological problem of thus, having a whole side of the accommodation area without outside windows, was solved by designing artificial window vistas and concealed lighting.

Once the Beryl group had approved the project budget, negotiations with the Department of Energy established a revised timetable.

Although Department of Energy approvals are often regarded as formalities these days (and in the case of certain recent developments the approval came after fabrication work was well under way) the process proved beneficial to the Beryl B project.

To keep the fabrication of the Beryl jacket and modules out of a time period when it was feared that UK yards might be too full, the decision was taken at the energy department's urging to schedule first oil a year later. This meant that in May 1980, when approval was given, the project had three years before load-out of the platform facilities and, accordingly, more time to prepare the engineering.

Beneficial
Although too much time can lead to a lack of urgency by engineers, the North Sea's development history is littered with projects delayed because the drawings which went to the fabricators had too much work left to be done.

Of course, no engineering company will admit this, but

it is a frequent complaint of module builders but one which was not made on the Beryl B project.

However, it should be borne in mind that both Bechtel and Mobil had managers assigned to the process at all stages, and as jacket design proceeded, monthly reports were given to John Brown about weight and distribution plans and changes on the topsides.

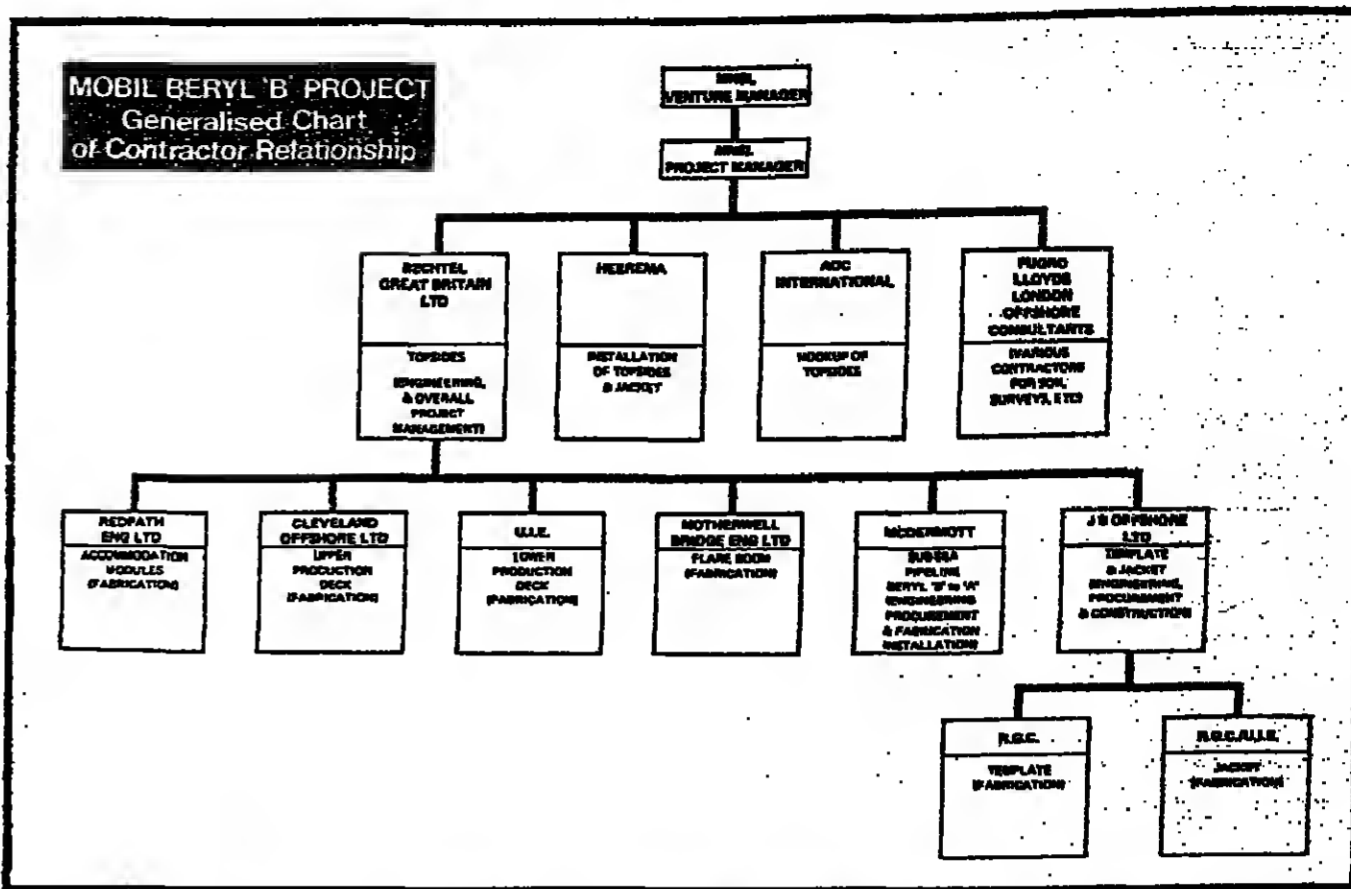
John Brown put together a core team of managers under a project manager at the very first stage. These managers included the engineering manager, overseeing the design functions, the construction manager, overseeing both fabrication and installation (both tasks being under separate managers as well); and managers for project services, finance and quality assurance. A separate commercial manager was assigned to administer sub-contracts.

As 85 per cent of the value of the contract was in procured supplies and subcontracts, control procedures were established from the outset. Designers produced initial design briefs followed by drawings, specifications and subcontract documents. This production spread over 300 volumes, weighing two and a half tonnes of paper.

A critical part of the design was weight control. This was monitored by computer, and says Mr Cullen Williams, Mobil project manager, 1,000 tonnes of steel were cut out by carefully checking stresses and removing unnecessary steel members. But, control of topsides weight had to be even tighter.

During the design phase for the jacket, two other processes were taking place at John Brown. The template had to be designed, ordered, built and installed before the jacket fabrication award was even made. In the event, the template was in place five and a half months before the jacket was ordered. This also meant that the system for docking the jacket (see separate account) had to be settled as the template had the seabed docking piles attached to it for installation.

Further, the construction team had to begin checking fabrication sites and ordering steel. Fabrication contractors had to be evaluated both for competence and availability. The order for the fabrication



Mr Jerry Dacy, Bechtel's project manager 875 orders and 70 part orders delivered from 12 countries

of the jacket was placed in March 1981, but some design work had still to be carried out and once construction began, so too did a phase known as "post production engineering" which is a neat way of saying altering things that don't fit. During the construction phase, the construction team came to the fore, with site management giving front-end presence to the office-based project team. John Brown

cites as its major achievement, the completion of the jacket ahead of the programme schedule and under budget.

Bechtel had two functions. As overall project manager, it worked closely in conjunction with Mobil. In contrast, some oil companies appoint a management services contractor, which, in turn, oversees separate topsides and jacket contractors. But, with the greater physical integration of the Beryl B platform, so came a greater integration of the teams from Mobil, Bechtel and John Brown. Bechtel's other role, in charge of topsides, was thus integrated into its overall responsibility.

At the height of the project, 475 Bechtel employees were working on the project with a contingent of 40 from Mobil alongside. Under this team, Bechtel estimates, were 6,000 employees at the various sites of contractors and subcontractors.

Bechtel's schedule closely parallels that of John Brown. From the spring of 1980 until mid-1981 when it was 90 per cent complete, engineering proceeded, giving way during 1981 until mid-1983 to production engineering. During the design stage 340 staff were assigned to the project by Bechtel. Among the many design func-

tions was topsides weight control. By eliminating the module support frame concept, the designs had to have both structural elements and incorporate more than the usual number of functions per module. Only 10 main modules were used, to minimise the amount of offshore hook-up work.

At the time, the heaviest offshore lift which could be managed with one crane was 3,000 tonnes and the heaviest modules were designed to be just under this limit. Accordingly, any excess weight was simply impossible to install.

6,000 workers
It was the job of the topsides engineers to keep weight down, and of the construction managers to see that this is how they were built.

The total topside weight was limited to 22,000 tonnes. In the event, says Mr Jerry Dacy, Bechtel project manager, the actual modules were less than 0.5 per cent off their design estimate.

An interesting feature of the module contract awards procedure was that cost was not the only factor. Bids were examined for the weight of their equipment and this factor tipped some awards away from the cheapest bidder. Module fabrication began in

June 1981 and involved four UK yards and one French yard, UTE, the French contractor which built the twin-section lower production deck at Cherbourg, was also a joint-venture partner with the UK yard of RGC in Methil, which built the jacket.

Some contracts were signed directly by Mobil, although Bechtel had co-ordinating responsibilities throughout the project. One such contract, for McDermott, involved laying a five-mile-long oil pipeline from Beryl A to Beryl B. This took place in the summer of 1982, during the platform construction stage.

For some reason, known best to offshore operators, the drilling package awarded to KCA Drilling from design to commissioning (less installation, overseen by Bechtel), was organised outside the main project. The drilling facilities built by Wexcon Steel Structures in Holland.

Over the course of construction, Bechtel was looking after 43 service contracts and 151 supply contracts. A total of 875 orders and 70 part orders were delivered from 12 countries. When all of this came together in the summer of 1983, the modules were lifted into place in three weeks by Heerema's giant derrick barge.

Beryl's handy with a drill

And that means that Mobil's newest platform in the North Sea doesn't have to rely solely on men to do a very dirty — and potentially dangerous — job for her.

Instead, Beryl B tackles part of the task herself, using equipment known as an iron roughneck. This innovative device grapples with enormous lengths of drill pipe, connecting them together as drilling progresses at speeds of up to 150 rpm. Skilled (and human) operators supervise from the sidelines as Beryl gets on with an important job. The result is increased speed, greater efficiency and — most important of all — vastly improved safety.

As far as Mobil and its fellow venture participants are concerned, those have been the overriding objectives in her entire drilling operation. Noteworthy too are a new top-drive drilling system and innovative use of aluminium drill pipe.

Beryl B's tendencies are, in short, distinctly high-tech. And since she began producing oil on 6 July — under budget and ahead of schedule — her exacting demands have paid off.

It's no wonder that Beryl B stands so tall among her peers in the North Sea: all 225 steely metres of her.



Mobil Beryl B

New hopes for marginal fields

THE BERYL oilfield contains reserves of at least 300m recoverable barrels of oil. It is extremely unlikely that an oilfield of this size or even approaching this size, remains to be discovered in the North Sea.

The next generation of North Sea oilfields are likely, on average to contain recoverable reserves of less than 100m barrels each, according to Esso UK's chairman, Mr Archie Forster. He points out that the average size of the 31 fields already committed to development is some 400m barrels of oil reserves.

Esso's chairman estimates that the industry could develop about 80 such fields by the end of the century, requiring an expenditure of about £80bn. That is twice as much as the oil industry has spent over the first 20 years of North Sea exploration and development, and will be spent over a shorter period.

Leaving aside the murky waters of fiscal policy, and assuming oil prices stable in real terms, it is clear that greater cost effectiveness is essential for a successful development of the marginal fields in the North Sea.

No doubt fiscal policy will have to play a part too.

Cost-saving
Dr Armand Hammer, Occidental's 88-year-old president said in London recently that his company had six oilfields of up to 100m barrels each in the North Sea. But none would be developed unless the UK Government reduce its tax take of North Sea oil revenues.

The oil industry and the onshore supply industry, therefore will have to play a major part in making possible the profitable development of small fields which may already be discovered, but are not yet regarded as commercial.

Dr John Jennings, the outgoing managing director of Shell UK Exploration and Production, the North Sea's biggest operator, believes that a 15 per cent reduction in development costs should be achievable.

The Economist Intelligence Unit was commissioned by Shell this year to explore the possibilities for lower cost future North Sea developments. The report details the areas offering potential for cost-saving that emerged from a series of meetings of the offshore supply industry held by the Energy Business Centre. These were primarily as follows:

- Smooth flow of work to be planned for the North Sea, to prevent the "yo-yo" effort and bottlenecks. This would be the responsibility of the Department of Energy.
- Early involvement by fabricators and manufacturers at the design stage.
- Transfers of technologies from other industries (aerospace, automotive).

- Shorter lines of communication and a rationalisation of paperwork.
- Standardisation of both design specifications and tender documents.
- Standard solutions to products and structures.

Those recommendations however do not touch, and are not designed to touch, the advent of a new kind of North Sea oilfield, which may consist of no more than a single oilwell tied into an existing producing platform.

This concept of a low-cost piggy-back development is already being witnessed in the North Sea. At the beginning of this month Broiloff was given the go ahead from the Department of Energy to develop — at a cost of only £25m — the tiny 14m barrel Deveron field, which lies just 2 km from the giant Thistle field. Broiloff is now producing the field's oil through one well, which is a satellite of the Thistle platform.

Deveron is easily the smallest field ever to be developed in the North Sea. Energy Minister Mr Alick Buchanan-Smith said this month that Deveron was important in terms of marginal field development, demonstrating the feasibility of developing marginal fields in conjunction with an existing field.

A slightly larger version of the same concept is Texaco's Highlander oilfield, which contains about 50m barrels. This is being developed as a satellite to the Tartan oilfield.

The capital costs of Highlander's development are thought to be about £200m and it will be developed through a number of wells tied into the Tartan platform about 7½ miles to the south east.

A possible future application of the piggy back development is Hamilton Oil's tiny Innes oil field, which seems destined to be developed through one well tied into the Argyll oilfield.

A satellite
Argyll was the UK's first North Sea oilfield to produce. A case of the past and the future of North Sea oil development joined together.

It would be wrong to see the future of Britain's oil and gas reserves exploitation entirely in terms of small developments. While this may be true of the relatively mature North Sea, there is a largely unexplored hydrocarbon province west of Scotland, and in particular in the deep waters west of Shetland.

The oil industry has identified the potential, at least for very large fields. One, the Clair oilfield, has already been delineated, and could contain up to 40m barrels of oil, making it the largest oil accumulation ever found offshore the UK. But Clair's oil is so viscous, the reservoir of such poor quality,

that its development is most unlikely this century.

Mr Ed Blair, the vice-president of engineering and operations for Hamilton Oil points out the apparent paradox, that even if there are very large oil and gas accumulations west of Shetland they too could be described as "marginal fields."

This would be because the deep waters and massive swell west of Shetland would make the cost per barrel produced dangerously high for all but the biggest discoveries.

However it is quite possible to envisage future development of small fields west of Shetland — if only there are enough of

them. Recently British Gas discovered what appears to be a gasfield on its block 214/30 west of Shetland. The field is not large enough to be commercially developed on a stand-alone basis, according to British Gas, but the corporation points out that if a number of other such fields are discovered in the area, then a system of many subsea developments tied into an onshore or offshore central unit, would be a feasible method of recovery. Such developments, however, may have to wait until the next century.

Dominic Lawson



1934 — THE QUEEN MARY 1984 — BERYL B

As you know we don't build ships like The Queen Mary anymore, but we are still involved with the sea in offshore production platforms like Beryl B. Beryl may not be quite as elegant as The Queen Mary but she is 109 metres taller and 20 metres wider. While The Queen Mary slid easily down the slipway, Beryl B was positioned to within 15 centimetres over a subsea drilling template, 344 kilometres out in the North Sea. John Brown Offshore was the main contractor for the jacket and subsea template and positioning services were provided by a John Brown subsidiary, UDI.

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BERYL B — 5

Why UK content proves a tricky subject

THE SUBJECT of the UK content of an offshore oil and gas development is always sure to provoke controversy.

UK content to politicians is often so much window dressing to UK contractors who feel hard done by when UK-registered companies, under effective foreign control, win jobs. Similarly, many a U.S.-owned or part-owned company is staffed almost exclusively by Britons sick and tired of being labelled foreign.

The problem does not stop with deduction. Why does the UK Government insist on UK content in the first place, companies from EEC countries ask, with more than a fair share of justice?

Taking this last point first, the EEC content of the Beryl B project, considered by percentage of the 375 full orders placed, is 95 per cent. As well, 55 per cent of the 70 part-orders placed went to EEC-based companies making up 94.5 per cent of the 945 orders placed in total.

Difficult

But the UK Department of Energy insists — despite the avowed dedication of the current government to free-market economy — on at least a 70 per cent UK content in offshore projects and it is not particularly moved by EEC arguments in this respect. However, as "genuine" UK content is difficult to define, it settles on the formal registration of the supplier or contractor in the UK to define an order's Britishness.

As explained elsewhere in this survey, Mobil is particularly adept at avoiding conflict with the Department of Energy and so it insisted on regular reports on UK content as the Beryl B project proceeded. In the event, it achieved a quite favourable result. Officially, Mobil states that the project had "more than 90 per cent" UK content. In fact, the detailed figures are somewhat better. UK companies received 86 per cent of the full orders placed—

757 of them; and 83.6 per cent of all orders, a figure only dragged down by their 33 part orders, making up 47 per cent of this category.

The question obviously arises, what happened to the other 20 per cent or so of orders?

The answer is that some equipment and some services simply are not available from the UK. For example, there has never been a UK company willing to take the risk of running a semi-submersible derrick barge which is able, like the Dutch company Heerema's *Balder*, to lift modules the size of those built for Beryl B. Nor, but for a brief, if valiant, effort in the 1970s with the *Viking Piper*, has there been a major British-owned pipe-lay barge. (The *Viking Piper* ended up as the *LB 200*, owned by American construction giant McDermott, and has just finished laying the Norwegian gas line, *Statpipe*.)

Furthermore, even some UK contractors sub-contracted to non-UK suppliers. Some of the components and some of the steel supplied went into the jacket, built at RGC Methil had come from Japan. And, mostly owned by the British Steel Corporation at the time, RGC can hardly be accused of not being British.

Likewise, KCA Drilling, the most British of the four offshore drilling contractors generally assumed to be British (KCA is 100 per cent UK owned and operated), was responsible for a major achievement in designing, procuring, managing fabrication and commissioning the innovative Beryl B drilling package. It also has the platform drilling contract, now that production is under way. But it fabricated the drilling modules in Holland, awarded the contract to Mercor Steel Structures, and it has a host of sophisticated U.S.-designed drilling hardware on (and over) the deck floor. The North Sea's first use of lighter, more flexible aluminium drill pipe which will be used for drilling operations (and is thus, strictly speaking, not part of the Beryl B construction project) will come from the U.S.

What is even more important is that for the most part, UK contractors fared very well. What hitches developed were remedied by fabrication rescheduling and the project went ahead on time. Also, the crucial weight-control side of fabrication was achieved with remarkable accuracy. Some items were even able to be



KCA's drilling package: British designed but built in Holland.

However, 83.6 per cent is a very high figure for UK content to reach. And it was not reached, in some demonstrable cases, by just worrying about scowls at the Department of Energy. Rolls-Royce openly competed and won on merit the contract to supply the main platform gas compressor drive, an aeroderivative gas turbine.

John Brown Offshore won the engineering and management contract for the jacket and template. In turn, it and Bechtel awarded major fabrication contracts to UK yards: Accommodation modules and belldeck to Redpath Engineering and upper production — deck and facilities — to Cleveland Offshore, both part of Cleveland Redpath Offshore (CRO) in Teeside; jacket to RGC of Methil, Scotland — like CRO, now part of the Trafalgar House empire; and flareboom to Motherwell Bridge of Leith, AOC International of Aberdeen won the contract to hook up the platform facilities, even though its workers lived during this operation on a Swedish-owned accommodation barge (there isn't an equivalent UK-owned one, again) the *Safe Karina*.

Williams adds that Mobil was especially pleased with the work of the UK's John Brown Offshore, and impressed by the fabrication techniques of RGC and its French partner UIE.

Of course, much of the credit for speedy delivery and efficient co-ordination goes to the U.S. oil company Mobil and its U.S.-owned prime contractor Bechtel. Are they UK? Their UK subsidiary registration document says so. Their UK employees and suppliers are happy for them to be. The argument will surely continue, but for now, Beryl B is 83.6 per cent British, 95 per cent EEC, on time, and that's how it will go down in the record books.

James Ball

A look at the docking technology for the Beryl B jacket

The jacket that had to be a perfect fit

IN THE EARLY days of North Sea oil and gas development, the technological know-how came almost exclusively from the U.S. Gulf of Mexico's offshore industry. Now, after almost two decades of North Sea production, a technique developed here for Mobil is to be applied in the U.S. Gulf on Mobil's Green Canyon 18 field.

The technique was developed by the UK-based engineering joint venture company John Brown Earl and Wright to dock the Beryl B jacket in place over a template with six pre-drilled wells. Although Mobil's Gulf coast field is in 765 feet of water (against 390 feet for Beryl B) the principle and the reason for doing so are the same: by setting down a template and pre-drilling the first production wells through it, production is virtually ready to begin as soon as the platform is commissioned.

While the platform jacket and topsides are being designed and built, drilling can be undertaken simultaneously. Normally it begins years later, when the platform is commissioned.

Beryl B was not the first platform in the world, let alone in the North Sea, to be docked over a pre-drilled template but it was the first to use a system of locating pins to drop the platform accurately within centimetres of its intended location.

Launch barge

The completed "jacket"—the steel structure on which the platform facilities stand—was towed out from Methil on May 6 1983 on a launch barge. Once launched, it was gradually upended and pulled over the template with an anchored derrick barge on one side and tugs on the other.

At this stage it was floating 12 metres above the seabed to clear the template. Then, three locating pins were dropped into positioning cones and the jacket was ballasted down to the seabed.

It is this process, which began with the start of the launch decision meeting at 1.30 am on May 9 and ended at 6.55 pm the same day with the ballasting down of the jacket, which represents one of the main



technical achievements of the Beryl B project.

The story actually begins years earlier. John Brown Offshore was given the job of designing the jacket, the template and the method of mating the two, in August 1979. JBO also won the contract to manage fabrication and installation.

It contracted the engineering to John Brown Earl and Wright (JBEW), a joint venture whose partners have since gone their separate ways.

JBEW examined 12 different ways of mating the jacket and in the end settled on the method of using locating pins. Put simply, an alternative method is to bang the jacket against piles driven in the seabed so that it bounces back into place. This method was rejected because the Beryl-B jacket had to be as light as possible, and it was feared that damage to the jacket could result from banging it around.

The plan to use locating pins required accurate siting and levelling of the 220-tonne template and this was achieved in the autumn of 1980. The three 1.68-metre diameter piles which were to receive the jacket locating pins were sited in place and cut free from the template to avoid jolting the template when the jacket pins were subsequently lowered into them.

On the jacket, built at RGC Methil in Scotland, the three locating pins were installed

along with a chain and wire rope mechanism to lower them into place or to lift them up if a problem developed.

The pins were 1.45 metres in diameter and 39.5 metres long. The tapered shape of the pin allowed it to be locked tightly in the jacket during tow-out and launching of the jacket, but to become slack within the jacket guide slots when lowered, to add tolerance to the operation. The jacket arrived on location three days after it left Methil.

Guiding cones

Before the pins could be dropped, additional guiding cones had to be employed on the three positioning piles in the sea bed and this operation alone took three hours. With an array of positioning devices in place, ranging from TV cameras inside the actual receiving piles, to acoustic transponders which sent out signals to locate the jacket in relation to the template, the operation began.

Fortunately, excellent weather prevailed. So, at 1.30 am on May 9, a meeting commenced to decide whether or not to launch the £38m 14,400 tonne jacket. At 4.40 am the decision was taken and detailed checking of systems began.

At 10.55 am the jacket was launched from the barge and detailed checking of the structure began again. Upending commenced at 12.16 pm and almost six hours passed before the jacket dropped slowly into

position on the seabed.

Once opened, in two stages, the jacket was held in place by the Heerema derrick barge *Balder* on one side and two tugs on the other. The array of navigational equipment aided the positioning of the jacket over the template and the same procedure enabled the jacket to be steadied vertically over the positioning piles.

Scale models had been used in the design stage to predict how the jacket would behave, and its motions were measured during the operation by motion monitors on the jacket and by TV cameras. So, when the huge floating structure was moving within acceptable limits set by the designers, mating could begin.

It is illustrative of the risk involved in such an operation that before the jacket could be aligned over the template, a mating certificate had to be issued to the marine consultants and this was given at 4.00 pm.

One hour later, the TV cameras inside the positioning piles picked up the blinking strobe lights on each of the three locating pins. Then, two pins were lowered together into position followed by the third pin and the ballasting of the jacket into position could begin. It landed just eight hours after being launched.

For the next three weeks, the jacket was piled and grouted to the seabed before lifting of the topsides could begin.

J.B.

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Beryl seldom flares up

Beryl B, Mobil's newest North Sea oil production platform, doesn't go in for flamboyance. Instead of lighting the night sky with a fiery display from her flare stack, Beryl B plans on holding back the burning off of excess gas. There will, however, be more to Beryl's comparatively small flame than mere modesty.

The natural gas that bubbles to the surface with oil is far too valuable a commodity to waste on pyrotechnics. Instead, Beryl B will use that gas. Some of it will fuel the platform's new Rolls Royce-driven generators. These, in turn, are to run a compressor to force the gas back to the subsea wells under pressure of more than 5,000 pounds per square inch. There, the gas is going to help to force more oil to the surface than would otherwise be possible. And with that oil will come still more gas to continue the cycle.

From a fiscal point of view, every one percent increase in oil production in the North Sea brings about £80 million a year to the Exchequer. More importantly, though, gas injection as planned for Beryl B helps to conserve a significant energy source for future needs.

Of course, Beryl B won't be unique for the small size of her flame. Sister platform Beryl A's flare is already the picture of discretion. And so it should be. Seven years ago Beryl A was the British North Sea pioneer in gas injection and ever since she's led the field in gas conservation.

Even now, few of her neighbours can hold a candle to her.



Mobil Beryl B

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APPOINTMENTS

E.R.F. management posts

ERF (HOLDINGS) has made a number of management appointments. Mr Cyril Acton becomes managing director of ERF, the group's heavy truck manufacturing company. A member of the holdings company board, he was previously deputy managing director. Mr John "Dai" Davies, managing director of ERF South Africa (Pty) and Mr Bryan Hunt, sales and marketing director of ERF, join the board of ERF (Holdings). Mr Peter Foden will continue as chairman of the holdings company. He will also take up a new role as chief executive of the group, as well as being chairman of the subsidiary companies.

GAMBICA, an association for instrumentation, control and automation industry, has appointed Mr Brian S. Swabey, managing director, Whippendell Electrical Manufacturing Company (Watford), as honorary treasurer in succession to Mr Lyndon Davies, marketing director. Pys Unicom, As treasurer, Mr Swabey also becomes a member of the association's council and general purposes and finance committee. Other appointments to the GP and F committee are Mr Michael Powell, chairman and managing director, Forbore International; Mr Wally Morgan, managing director, Perkin-Elmer; and Mr Bill Goldbach, managing director, Thorn EMI instruments division.

Mr Gordon Younger, branch manager at the CO-OPERATIVE BANK, Durham, has been appointed head of clearing at the bank's clearing centre in London.

Mr Michael Care and Mr Michael Smith, previously associates, have been admitted to the partnership of BAKER AND MCKENZIE.

Mr J. R. Richards has been appointed to the board of SOLEX as financial director and retains the office of secretary. Solex is part of Groupe Matra.

Dr Keith Nimmo, senior manufacturing consultant with PA Management Consultants, has been appointed secretary and board member of the INSTITUTE OF MANAGEMENT CONSULTANTS OF SCOTLAND.

PILLSBURY UK has appointed Mr David Pearson as a director with special responsibility as general manager of Green's of Brighton. He previously worked as marketing director of food brokerage company, Crombie Eastcase.

Mr John Douthwaite has been appointed director of SOUTHAMPTON (EASTLEIGH) AIRPORT. He was airport director at the local authority-owned Tees-side Airport.

CHARTERHOUSE J. ROTHCHILD has appointed Mr Christopher C. Brown, as director of planning, and Mr David J. Wood as group treasurer.

consultancy division. Mr Paul Johns has been appointed director responsible for the management development division based in Gloucester. All three were previously senior partners in the Urwick Group.

Mr Alan P. Theakston has been appointed a director of GREY-TOWN INVESTMENTS and its subsidiary companies, which form the property division of Roper.

Mr A. J. Hawkes is joining the marine department of HOWSON F. DEVITT & SONS, part of the Devitt Group, as an assistant director from November 1.

Mr William Connell has been appointed to the board of HAWKER SIDDELEY POWER ENGINEERING as sales director, Middle and Far East. He joins Hawker Siddeley from John Brown.

Mr Tom Mayer, chief executive of Thorn EMI Electronics, has become chairman of the United Kingdom Industrial Space Companies (UKISC). One of its principal roles is to persuade relevant government departments of the importance of future space development to the UK.

FRESHBAKE FOODS GROUP has appointed Mr Christopher Boydell as group secretary. He was group secretary of Thos. W. Ward prior to its becoming part of RTZ in 1981.

Mr Brian Hanley, general manager of Perkin-Elmer Data Systems, and Mr David Cowie, director of Perkin-Elmer's European software development group, have been appointed to the PERKIN-ELMER DATA SYSTEMS board.

MERRILL LYNCH EUROPE has appointed Mr Jeffrey Lawrence as executive director of a newly-formed corporation Financial Services Division (UK).

BROWNLEE, Scottish timber and builders merchants, has appointed Mr David P. Walker to the board. He is group sales manager.

Mr K. W. Boddington has been appointed managing director of MONO PUMPS (UK). He joins from Allspeeds Holdings, where he was managing director.

Mr John Douthwaite has been appointed director of SOUTHAMPTON (EASTLEIGH) AIRPORT. He was airport director at the local authority-owned Tees-side Airport.

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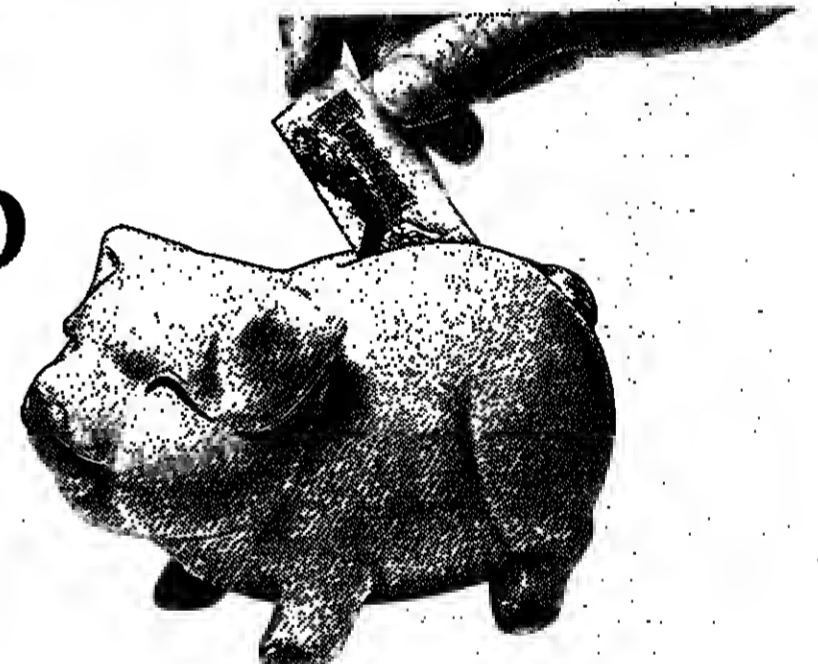
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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Industrial relations

End of the line for a cosy way of life

BY DAVID GOODHART

BRITISH TELECOM'S industrial relations are passing through a cultural revolution. The shift from public corporation to private business is becoming a key test of the Government's favourite reforms: greater devolution of BT's highly centralised bargaining; a widening of pay differentials; a loosening of demarcation and a crackdown on overmanning.

The degree to which these and other changes succeed in penetrating BT's once cosy way of life will be an important indicator of the real state of British industrial relations.

The early portents for the advocates of change have been good. Mike Bett, corporate director of personnel, says there has been a "perceptible shift in attitude" since the introduction of competition, profit centres, etc. over the past two years.

The unions remain opposed in principle to privatisation (over 95 per cent of BT's staff are union members) and at the height of last year's campaign it was rejected by the majority of staff. Now it is here, along with the £70 worth of free shares for each employee, most are waiting and seeing.

But Bett's personnel department is already behaving in a far more bullish fashion. "When I first came here this department spent most of its time telling managers they could not do the things the chairman was urging on them to improve efficiency. Now we are removing those bars," he said.

In the past 18 months Bett has threatened to give six months' notice on three major union agreements if reforms could not be negotiated. In two cases he has carried out the threat and in the third the union accepted the changes.

When the new left-wing leadership of BT's biggest (and traditionally right-wing) union—the Post Office Engineering Union—began an overtime ban in some of the main international exchanges at the end of last year the management took determined and unexpected action the moment it began to bite. They effectively locked out the 1,200 engineers who refused to work normally and ran it with 300 managers.



Previous articles in this series appeared on October 8, 10, 12 and 15; the next will be published on October 19.

While top management might have shocked union officials and impressed customers by their aggression they have only won the first battle and by their own accounts still have a long way to go.

When 250,000 civil servants suddenly find themselves in the private sector there is bound to be resistance to some changes, says Bett. That resistance extends from middle management to labourers, all of whom have previously enjoyed "model" agreements on pay, hours and job security. To many outsiders—trade unionists or managers—most of the changes now being proposed would seem astonishingly mild but judged by their own past experience the accusations of "mischievous management" are understandable.

And BT has been a remarkably "family" organisation. Nine out of ten staff have spent their whole working lives in the company and between one-third and a half of all employees followed an immediate relative into the business. Those figures here, unusually, applied to management grades too and although there has recently been a steady inflow of new management blood—managers remain unusually close to the shopfloor.

The three main areas senior management are now pushing to roll back the status quo even further are: jobs; pay and flexibility; and devolution of bargaining.

Jobs: It is widely assumed

that BT is overmanned. Comparisons with other national telecommunications companies are notoriously unreliable because of differing functions, technology and degree of subcontracting, etc.

But while the Bell Atlantic Corporation in the US serves 14.8m subscribers with 80,500 employees (ratio 181:1) the Nippon Telegraph and Telephone services 41.1m subscribers with 323,000 employees (127:1) and the French PTT serves 20.7m with 165,345 employees (128:1). BT looks job-heavy with 240,000 staff for 20m subscribers (33:1).

The BT board refutes the wider rumours of 100,000 job cuts but will insist on reviewing manning levels: it is already close to the aim of shedding 15,000 jobs in three years by March 1985—despite heavy recruitment in marketing and computers. The POEU has seen job opportunities in its grades decline for the first time ever this year.

These trimmings have come simply through what BT calls "good housekeeping"—for example, closing unnecessary supply depots and cutting apprenticeships to a trickle. The major redundancies from technology have yet to come.

Compulsory redundancy has been unknown in BT for many decades. Since 1979 it has been formally ruled out by the Job Security Agreement (for POEU members) and the Telecom Redeployment Agreement (for the Union of Communication Workers which represents operators). BT management is now exerting strong pressure for reform of these agreements.

BT is also keen to speed up voluntary early retirement by quietly improving the already generous terms. Staff can now retire up to six and two-thirds years before 60 on full pension plus a lump sum of one and a-half years' salary.

But brokers De Zoete and Bevan's "pessimistic" estimate of 2,000 jobs to be shed a year up to 1988 is probably safest. The unions are likely to have wide support for their no-redundancy fight partly because of BT's low average age (in POEU grades it is 35), and



"Last year privatisation was rejected by the majority of staff"

Trevor Humphries

the board may tread more warily than its rhetoric suggests.

Pay and Flexibility: Changing technology is bringing in its wake new skill requirements which, as in other parts of industry, involves a widening gap between higher and lower skills and a thinning out of the middle skill ranges.

BT is keen to break the link between the pay of the top technicians—whom it recognises it may have to pay more to retain—and the lower grades. A widening of differentials was pressed hard, but unsuccessfully, at this year's pay talks. It also featured in the engineering restructuring package—seeking greater job flexibility—rejected by the last POEU conference.

Most grades of staff are likely to remain close to the top of national pay league tables and the present BT average of £9,000 per annum is expected to increase a point or two above inflation in the years after privatisation.

Ironically while the unions are playing down pay relative to the jobs fight, BT will be loosening the purse strings a little to try to buy-out Spanish customs and thus break the competition. (Labour costs are now 43 per cent of BT's total.) Devolution of bargaining: Productivity has been rising—although the 5.8 per cent improvement recorded this year may not be wholly reliable. It may improve even faster when BT introduces local productivity bargaining to replace what it

regards as the sourious national productivity deals of the past few years.

The desired extent of managerial devolution in other fields remains an open debate at senior levels. Bett says basic negotiations on pay, hours and holidays will remain at the centre "at least for the immediate future." Engineering restructuring is, however, expected to come in locally.

The unions are resisting many aspects of devolution—but they are also adapting their own centrally-based structures to mirror the changes in bargaining.

When the BT section of the Civil and Public Services Association (representing 35,000 clerical workers) joins the POEU—the unions in the business will also have been rationalised from six to four within 18 months.

That merger may cut down on some inter-union squabbles likely to arise over the sales office computerisation programme. But Bett is also aware of the likely increased industrial muscle and stresses that the contingency plans for dealing with disputes in vulnerable areas are continually being reviewed.

How often will that muscle be used? Last year's "defeat" has certainly shot down the myth of the all-powerful "electronic miners" beloved of some POEU activists. But even though the Militant Tendency group on the executive now has a lower profile and the union's

more moderate full-time officials have reassessed themselves, the wider "soft" left remains in control and ready for another punch-up if necessary.

David Norman, the POEU treasurer, believes there will be much more localised industrial action as local managers seek to revise national agreements or push too hard on jobs.

"Both sides obviously retain a vested interest in BT's success walked over. I do hope that the senior management will stop copying some of the worst aspects of American management because otherwise a number of major projects will be threatened," says Norman.

In earlier days the union had a largely co-operative attitude to new technology—that co-operation may now be withdrawn. In fact the POEU executive is already merely suspending the blacking of System X pending serious negotiations with BT on the union "broad strategy" for a 32-hour four-day week.

Employee attitudes

West Germany and Canada display high effectiveness

WHEN IT comes to matters of pay, management and employee communications, Britain's industry has a poor reputation compared with many of its major international competitors.

The average British company is generally perceived as being managed badly and does not communicate much with its work force—in short, a stereotype which is often deemed to be the reason for the country's poor industrial record over recent years.

While there is plenty of evidence to suggest that this view is changing, a new survey* of international employee attitudes reveals that UK companies still lag demonstrably behind their counterparts in North America, Europe and the Far East, although British management is now ranked on a par with many of its foreign counterparts.

The survey, by ISR International Survey Research, the European arm of Chicago-based International Survey Research Corporation, a leading attitude research company, covered more than 10.5m employees in nearly 600 organisations in the U.S., Canada, the UK, France, West Germany, the Netherlands, Australia and Japan. The information was aggregated from client surveys over the past 12 months.

In contrast with British workers, Japanese employees generally considered their companies to be well managed, although they rated their pay and benefits less positively than their counterparts in the Netherlands, Canada, Germany and Australia.

The highest ratings of management effectiveness came from German and Canadian workers. In the UK, 59 per cent of employees felt that their companies were well managed, more than in France and Australia.

UK employees ranked their companies highly in terms of management interest in their welfare—providing employees with recognition for work well done and being receptive to employee suggestions for change.

and significant exceptions of Japan as one end of the spectrum and France at the other employee perceptions of the management skills of their managements do not differ greatly between countries, say the researchers. UK management is seen as no less competent or more competent, in this regard than their counterparts.

But the picture changes dramatically when it comes to what UK employees think about their rates of pay and benefits and the level of communication within their companies.

Just 50 per cent thought they were well paid for the work they did while as many as 55 per cent thought that internal pay differentials were a problem. Almost half the employees thought they were underpaid in comparison with market rates—and a similar percentage said their company's fringe benefits did not fit their needs.

"UK employees' perceptions of compensation within their organisations are significantly more negative than in any of the other countries," says the study. "Weaknesses in one area are not offset by strengths in another, as they are in some countries. So while the UK rarely scores lowest on any one dimension of employee perception of compensation, it scores lowest overall."

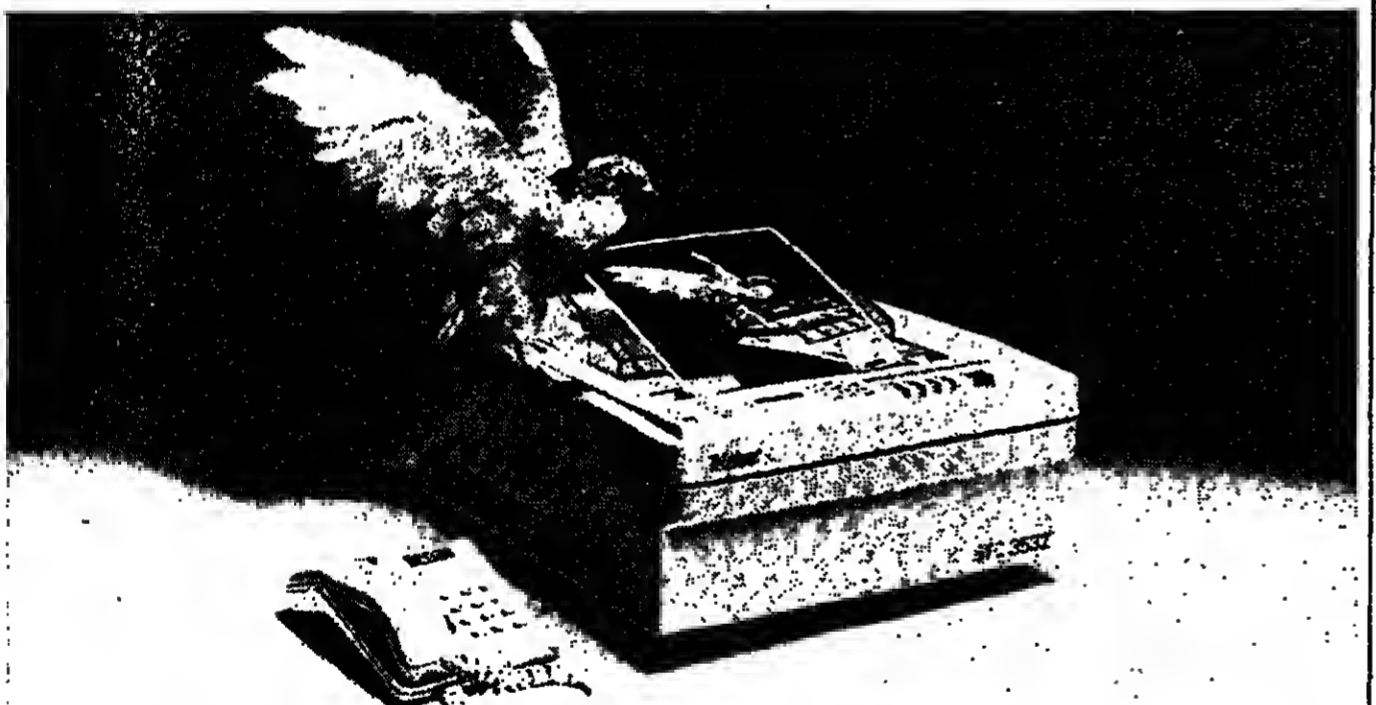
In terms of downwards communication, only 41 per cent of UK employees thought their employer did a good job of keeping them informed about important matters. As many as 80 per cent said they did not depend on official channels for company information.

Only half said they felt able to bypass their immediate boss if they were dissatisfied with a decision.

"Employees in the UK perceive communications within their organisations to be less effective than employees in any of the other countries," the study adds.

*Employee Attitudes towards their Employers—an International Perspective. Available from 87, Terman Street, London SW1Y 6JD. Price £25.

On balance, with the clear Arnold Kransdorff



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THE ARTS

Wildscreen 84/Christopher Dunkley

A bestial Kama Sutra

King Lear would have enjoyed himself in Bristol this week. Lear, you may recall, declared: "Let copulation thrive!" and during the past six days we have watched not just common or garden copulation but copulation under water, copulation in the air, copulation on mountain tops and in deep valleys, even copulation in mud. Copulation has thrived as though it were going out of fashion. This frantic sexual activity has been occurring, of course, on television as the copulators have ranged from delicate dragonflies to 30-foot crocodiles, from lizards in Costa Rica to starrings in Holland, from adders in Wales to nightingale birds in Africa. The occasion was Wildscreen 84, organized by the World Wildlife Fund with help from the BBC, Central Television and the Bristol and West Building Society at the Bristol Watershed, a dockside warehouse charmingly converted to a mass media centre. Those who watched either Wildscreen at Watershed on Channel 4 last night or the actual awards ceremony broadcast by BBC2 in Wildscreen 84 will already have some idea of what has been going on and may know that the Gold Award was won by a magnificent programme called Strava: Tidal Forest about life in a Borneo mangrove swamp directed by Phil Agland for the small British Independent Television Partridge Productions Limited and shown in Channel 4. It was sheer coincidence that this film featured the most delightful of the week's copulations, that of the bright blue saddle-bill in which the male tenderly strokes the female, with his outstretched pincers as they mate. This was the second Wildscreen Festival; the first was in 1982. This year 127 films were entered by 21 countries from which the organisers selected 35 finalists to be shown to the jury chaired by Sir Peter

Scott and comprising programme producers Kazuo Okada of Japan, Otto Nes of Norway, and Nicholas Noxon of the U.S. and myself. We watched programmes from morning till night, starting last Thursday and finishing on Monday afternoon. Our only playtime was on Sunday after lunch when we visited the Wildfowl Trust at Slimbridge with its founder, Sir Peter. However, we made up for that by continuing to watch through Sunday evening with care, cajoling and comfort in about equal measures from our minder, Ivan Hattingh of the WWF. Experience suggests that serving on television festival juries is rather like serving on submarines: shut into a confined and windowless space and kept there until you have fulfilled your mission, you and your comrades develop remarkable camaraderie. But do television festivals serve any purpose other than making the winners feel good, the losers feel bad and the judges feel tired? This one surely does. Our experience was, of course, artificial: No normal viewer would ever see all these programmes, let alone watch them in succession. Yet they have all been available to the viewing public in one way or other, many of them in Britain, and their cumulative message is overpowering. In other respects the genre maintains its traditions: There are still dedicated individualists (mostly cameramen who, of necessity, have become their own scriptwriters, directors and editors) making lovingly-crafted life-cycle films about individual species. Alan Coe is one of the best known and his beautiful film about the life and extraordinary nest-building habits of Africa's "lightning bird", another Survival programme, came near the top of so many of our lists. Four candidates for best editing, even the Gold Award — that although it did not quite win any of these, we

eventually created a special award in order to give Rolf his just deserts. He was narrowly beaten into the first place for the cameraman award by Naresh Bedi of Delhi who took five years to make his first independent film The Ganges (Channel 4 again) showing for the first time on film the full life cycle of this weird looking thin-nosed crocodile, including its egg laying and in addition the efforts being made by the Indian Government to save it. Wildlife programmes have changed radically in the last 20 years. Nowadays, the personality cults built around people such as Hans and Lotte Leaza or Jacques Cousteau have disappeared. Those "Look at me, I've got a Landrover" films are very rare today thank goodness. The sole example to reach the jury at this festival was one of Anglia Television's Survival series called "The Mysterious Journey" in which the cameraman and his wife proved more adept at filming their aeroplane amphibious adventures and of course their Landrover, than the antelope which were supposed to be their target. It looked sadly old-fashioned. It was this sort of concern for conservation of so many species in so many parts of the world which provided such a powerful message for everybody on the Wildscreen

programme, the measured look at the ecology of some particular habitat such as ocean, desert or mangrove swamp, often ends nowadays with a warning about man's careless destruction and a plea for conservation. Hearteningly, in view of the criticism so often aimed at television for its mindless game shows and soap operas, it is a plea which, thanks largely to television, is surely getting through. Britain is inhabited today by an entire generation raised on series from Zoo Quest to Wildlife on One. They may never

have been so many species under threat, but nor have there ever been a generation so acutely aware of that threat. Huge undertakings such as Adrian Cowell's three-part Decade of Destruction for Central Television explained in detail how the vast South American rain forests could disappear in our lifetime if present habits are not stopped, while a stomach-churning little German programme called Sense the Turtles—Now! provided all-too-graphic details of turtles for the German and Japanese markets being cut up alive by

Indonesians. The message has been pounded home to us: Conservation—now! Worchy though their intentions may be, however, there is one lesson Unadulterated pessimism is neither attractive nor encouraging. Finger-wagging programmes which do nothing but induce guilt in the viewer are neither constructive. Far more effective are the programmes which hold out some hope, albeit slim: The Story of Yellowstone from Australia showing how the rock wallaby has survived, The Polar Bear from

Sweden, telling how extinction has been avoided and how numbers are increasing. The Mountain Gorilla in Central's "Nature Watch" series detailing Rwanda's conservation policies, and above all, the BBC's Living Planet, have provided glimmerings of optimism. Incidentally, although there can surely have been little doubt, The Living Planet has proved at this festival to be a towering achievement, winning three awards for best script, best editing and best conversation message. The vast scope and marvellous professionalism of this enormous undertaking has been unmistakable even though only two of the 12 episodes competed in the final short list. The films competing for the beginner's prize, notably the Norwegian entry about mosquitoes, A Bite for Survival, and the Finnish entry, The Dragonfly, which in the end made co-winners, were naturally enough modest by comparison. But the significant point is that 20 years ago films as good as these would have been winning Gold Awards at festivals of this sort, had they existed, not beginner's awards.



Vultures pick over the corpse of an impala in Zambia's Kafue National Park—one of the pictures from the Financial Times Wildlife Exhibition at the Museum and Art Gallery, Bristol. The photograph by FT picture editor Glyn Gealin, are part of the World Wildlife Fund Festival

An Honourable Trade/Royal Court

Michael Coveney

A new play setting out to report on the pervasiveness and corruption in the highest echelons of the Conservative Party might not be the appropriate ticket at the moment. The Royal Court's advertising, promising sex scandals in Westminster and a hint of big journalism, does not exactly eradicate the latest images we have of politicians. In their nightwear stumbling along the esplanade at Brighton. But even allowing for the unlucky timing, G. P. Newstead's play about the ascent to the Lord Chancellor's Woodcock of a moderately kinky Attorney General does not strike me as either shocking or even interesting. After Profumo, Parkinson, Thorpe, we assume that any scandalous irregularity in a politician's private life will be punished. We may not like that very much, but what the decent majority expects. What Mr Newman does is roll a lot of little details from those cases, at the same time playing on our vague memories of gossip columns, tabloid headlines, luncheon voucher parties, and build up a picture of a corrupt political party taking care of itself at the expense of prostitutes, wives, mothers and secretaries. I don't think it is really that funny and dripping with cliché. Mr Newman admittedly lands the Attorney General, Sir Walter Pearsall, on the end of a rope of rape charges, one brought by a suddenly politicised whore after Pearsall has skidded across the floor at her, the other by his son's former girlfriend whom he has leapt on in the bathroom. And his posi-

tion as a righteous arbiter of public morality would obviously be damaged were these cases to be pursued. Pearsall's dilemma is that he opens the play, in the echoing panelled chamber of the House of Commons (designed by Geoff Rose) reassuring the Members on a case of widespread police corruption, the nature of which is never specified, while hoping to puncture the scandal by prosecuting just two of the 483 alleged offenders. He is also responsible for blocking a rape charge brought against her own husband by one Mrs Dunwoorthy. (The Jonsonian names also include a private secretary to the Prime Minister called Brian Figg, a prostitute called Janet Hole and a Director of Public Prosecutions called Sir Trevor Barnaby.) After Mr Newman's ripping stage play about the Operation Countryman enquiry and his marvellous television work, Mike Bradwell's lacklustre and under-cut production Richard Wilson has a sonorous Scottish respectability in the House which crumbles into furtiveness as he visits his hired mistress or trembles in committee rooms. As a result of the current Sumpter's lead versatile quick change support, but the writing is too often either rambling and repetitive or simply threadbare. And if you are going to bring on a woman of the current Prime Minister, she should be better than she is here. We have had far too many competent impersonations to be satisfied with Shirley Dixon's effort. And, as we all know, there is no substitute for the real thing.

Glyndebourne Touring Opera

Ronald Crichton



More than just a frivolous entertainment: Glyndebourne Touring Opera's presentation of Così fan tutte. Eiddwen Harry (left) as Fiordiligi and Louise Winter as Dorabella

This year's Glyndebourne Tour marks the 50th anniversary of the summer festival with Mozart's Figaro and Così fan tutte — the two operas performed in the very first season. It includes the double bill of What the Wind Did to the Grass and the (new) Higglety Pigglety Pop! by Oliver Knussen, with settings and costumes by the author, Maurice Sendak. The tour opened last week at Glyndebourne before going on in successive weeks to Oxford, Southampton, Plymouth, Manchester and Norwich. The two Mozarts showed the touring company at its valuable best, with the Peter Hall productions rehearsed by his assistants (Roger Williams for Figaro, Lucy Bailey for Così) and a mixture of talented young and more experienced British singers who have worked with the main company through the festival. At the respective second performances, at least, differences between the approach to Così (which came first) and Figaro were clearly noticeable. Jane Glover conducted Così with calm understanding. The sound of the Bourne-mouth Sinfonietta was not especially alluring — sustained chords were roughly balanced, and there were limp moments in the second half of act one — but rhythms were broad and strong, and in the solo singing there was no fudging or pecking. All this matched Hall's refusal to treat this opera as a frivolous entertainment. It was also a reminder of something those who can't see beyond the cork-popping and evening dress

overlook — the English puritanical, almost missionary aspect of Glyndebourne. In Figaro the playing under Lothar Zagrosek had more surface sparkle, but behind the shimmer rhythms were unsteady in intention and execution. In Così everything, on stage and in the pit, came together for a splendid conclusion, but the last scene of Figaro went weakly, with an ineffective entry for the Countess and a messy fireworks display. Bury's sets for both operas have great virtues, but colour was never among them. The present lighting makes the worst of their dull and muddy. The cast in Così had the advantage of a good Despina (Lesley Garrett, nearer to the buxom subtleties of a Mother than to the little squeakers one has come to dread) and Alfonso (Roger Bryson, who has a tendency to move the upper part of his body too restlessly). The lovers were Eiddwen Harry (Fiordiligi), Louise Winter (Dorabella), Glenn Winslade (Ferrando) and Peter Coleman-

SWRB/Sleeping Beauty

Clement Crisp

The Swan Lake which Peter Wright, with Philip Prowse as his designer, staged for Sadler's Wells Royal Ballet in 1981, earned great praise for its intelligence as for its visual distinction. In that year, the same team produced The Sleeping Beauty for the Dutch National Ballet, and I reported with much pleasure on the presentation. I report now with even greater pleasure on the ballet as it has been revised and embellished, and presented on Monday night in Birmingham. It must be said, first of all, that it is visually ravishing. There is a touring production, made for a company numbering only 50 artists. Yet nothing in design or mise en scène suggests concept or effects constrained. The imaginative skill of producer and designer have overcome all the requirements of touring mobility to create a world of grandest opulence and theatrical magic. Mr Prowse retains his original Dutch scheme of a permanent set of panels with a central obelisk, against which urns, trophies, candelabra, swags of fabric and dropped-in gauzes can suggest the varied locations of the action. Porphyry, gold, the muted blaze of melodic textures establish the world of Louis XIV for the first two acts. A lightning of tone by the use of pale blues and rose Dobury tells us of the passage of a century and the age of Louis XVI. The costuming, the kings and queens in vast trains, is outstandingly successful. Like Bakst, Mr Prowse has the taste and wit to convey correct

historical outline of dress while yet retaining that vital element of theatrical fantasy. Peter Wright honourably exposes Petipa's choreography according to the received Royal Ballet text, the interpolations of later hands sensitively replaced as in the new garland white (which is used with great skill to provide entries for the four suitors to Aurora's hand), and in the classic quartet at the start of Act 3. It is significant that some of Mr Wright's most telling emotional effects — Aurora's collapse after she has pricked her finger; the Prince's journey to the castle — are achieved by allowing the music full rein. At Covent Garden the score is crassly cut, hustled along; Mr Wright gives the tragic orchestral sonorities that accompany Aurora's collapse time to cast their theatrical spell, and we sense all the court's despair; Florimund's journey, simply enough staged with dry ice and a troupe of nymphs, yet gains in urgency because the conflict, against which urns, trophies, candelabra, swags of fabric and dropped-in gauzes can suggest the varied locations of the action, Porphyry, gold, the muted blaze of melodic textures establish the world of Louis XIV for the first two acts. A lightning of tone by the use of pale blues and rose Dobury tells us of the passage of a century and the age of Louis XVI. The costuming, the kings and queens in vast trains, is outstandingly successful. Like Bakst, Mr Prowse has the taste and wit to convey correct

Arts Guide

Oct 12-18

Theatre

LONDON Little Shop of Horrors (Comedy): Campy off-Broadway import which is less good than The Rocky Horror Picture Show but which has a curious charm and an exciting repudiating man-eating prickly plant. (302275). The Real Thing (Strand): Jenny Quigley and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (338260/4142). Daisy Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brown novel, gymnastics, body-suits, a difficult rescue, one mixed couple and a rousing school hymn. Spiffing if you're in that sort of mood. (4371562). Noises Off (Savoy): The funniest play for years in London, now with an improved third act. Michael Walker's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (3382688). Starlight Express (Apollo Victoria): Andrew Lloyd Webber's roller-skating fable has 10 minutes of Spielberg movie magic an exciting first half and a dwindling reliance on indeterminate rustling around. Disenchanting. Star Wars and Cats are all influences. Pastiche score needs to watch rock, country and hot gospel. No child is known to have asked for his money back. (3340104). West Side Story (Her Majesty): Clas-

sic musical returns to its original London home with a fresh young cast of good singers and dancers. The thrills and spills of Bernstein's score and the exhilaratingly intact. (330568). On Your Toes (Palace): Rodgers and Hart's 1936 musical is a genuine tonic. American jazz dance collides with the Ballet Russes. Gems include There's a Small Hotel, Glad to be Unhappy and the Balanchine ballet for Slaughter on Tenth Avenue. (437684). As We All It (Haymarket): Rex Harrison and Claudette Colbert in a meagre rivalry by Frederick Lonsdale. Miss Colbert defies the march of time and still wears her hair the same way with bangs. (330489). 2nd Street (Drury Lane): No British equivalent has been found for New York's Jerry Orbach, but David Merrick's tap-dancing extravaganza has been capably received. American Clare Letch is a real find as Faggy. Robert and Margaret Courtenay has a field day. (338108). NEW YORK (Booth): Not your conventional musical, Stephen Sondheim's latest is an inspired pairing with director and playwright James Lapine to bring George Seurat's painting to life, with Mandy Patinkin as the painter and Bernadette Peters as his crazed girlfriend. Dot. (338268). Cats (Winter Garden): Still a sellout. Trevor Nunn's production of T. S. Eliot's children's poetry set to tren-

dy music is visually startling and choreographically felicitous, but classic only in the sense of a rather staid and overblown idea of theatricality. (330522). 42nd Street (Majestic): An inmodest celebration of the heyday of Broadway in the 30s incorporates gems from the original film like Shuffle Off to Buffalo with the appropriately brass and leggy hoofing by a large chorus line. (377020). Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his dying Jewish mother. (344945). Noises Off (Brooks Atkinson): Dorothy Loudon brings Michael Fray's backstage slapstick farce to Broadway in Michael Blankenburg's production that includes Brian Murphy, Paxton Whitehead and Victor Garber as her backstage conspirators. (2433430). The Real Thing (Plymouth): After 14 months in London, Tom Stoppard's latest giggle at the English intelligentsia with a new-found attention to the heart that beats beneath the veneer, directed at a fast clip by Mike Nichols. (2388200). Gregory Glen Ross (Golden): The Chicago cast from the Goodman Theatre provided David Mamet with a Pulitzer Prize for his latest work that pits fast-talking real estate salesman against the world and each other. (2392026). Balm in Gilead (Minetta Lane): John Malkovich's energetic but nostalgic revival of an early Lanford Wilson

play brings back the wide-eyed, drugged out 1960s and 70s to the accompaniment of Bruce Springsteen songs. (4308000). Quilters (Jack Lawrence): Based on American pioneer women's descriptions of their work in making quilt blankets, Molly Newman and Barbara Danashev's musical arrives in New York reimagined from its modest origins in Denver. (3073432). WASHINGTON Master Class (Eisenhower): David Pownall's thoughts on tyranny and artistic freedom as filtered through the genius of Stalinist Russia stars its American run at the Kennedy Center. Ends Oct 20. (2843670). King Lear (Folger): The 15th anniversary of the replica Globe company starts off ambitiously. Ends Nov 4. (3464000). CHICAGO Candide (Goodman): The first musical produced at the Goodman since 1978 brings Wheeler's version of Voltaire with the music of Leonard Bernstein and the lyrics of Stephen Sondheim. John Laplace and Richard Wilbur. Ends Oct 28. (4433810). Baby With The Backstage (Remains): Christopher Durang's comedy of the contemporary American family leans to the zany in the local premiere directed by Donald McEiff. Goodtime Drama. Ends Oct 21. (4333800). Stage Struck (Stoppewolff): American premiere of Simon Gray's murder mystery about a stage manager who takes revenge on his actress wife

and his psychiatrist. Ends Nov 4. (3724141). The Fifth Sun (Victory Gardens): Nicholas Patten's new topical drama uses masks and ritual dances to explore the 1980 death of El Salvador Archbishop Oscar Arnulfo Romero. Ends Oct 28. (3713000). TOKYO Death of a Salesman (Sunshine Theatre, Debut): The Japanese version of Arthur Miller's classic, starring and directed by Takizawa Osamu (1978-2021). Kaiten Ningyo (Mysterious Mermaid) performed by one of Tokyo's leading avant-garde troupes Yume No Yumisha. A fantastical and very visual piece set in the world of the Old Testament and the search for a mysterious mermaid. Hoods Gekijo (433-6511). The Cherry Orchard Imperial Theatre: The Cherry Orchard in Japan. Directed by RSC's Clifford Williams, in residence since August. The Tobo Company (213-7221). Cats (Cats Theatre): Approaching its first birthday and therefore Japan's longest-running (consecutive) play, this Japanese version is worth seeing. Excellent set, good dancing, Kabuki-derived movement. Shiki Company, directed by Keita Asari (320-1001). Kabuki (Kabuki-Zai): Matinee contains both spectacular and grisly fare. Tamamotobae, based on the old legend of the demon fox is highlighted by laser lights, mid-air trapeze flying, magic performances. Banxun Chabon starring Kichizemon has the murder-in-the-bath scene.

NOTICE TO THE HOLDERS OF TRANS-WESTERN EXPLORE FINANCE N.V. By Convertible Subordinated Guarantees Debitum due March 1, 1987 (the "Debitum") Loans and Guarantees. The purpose of this letter is to advise you that the Debitum is due on October 1, 1984. As trustee under the indenture (the "Indenture") with the Company and Trans-Western Exploration, Inc. (the "Trustee"), I am obliged to give you notice of such event. According to Section 802 of the Indenture, the holders of the Debitum are to be paid in full on October 1, 1984. If you are a holder of the Debitum, you must send written notice of such event to the Trustee at their respective addresses listed below: Trans-Western Exploration Finance N.V. De Ruyterkade 82 Curacao, Netherlands Antilles Trans-Western Exploration, Inc. 2 Turley Creek Village, Suite 1000 Dallas, Texas 75219 Interfirst Bank Dallas, N.A. Corporate Trust Department 217 Interfirst Two Dallas, Texas 75201 Attention: Ms. M. Allen INTERFIRST BANK DALLAS, N.A. as Trustee Dated October 17th, 1984

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Wednesday October 17 1984

No victory for the NUM

THE discussions on the miners' strike at the Advisory Conciliation and Arbitration Service have at least served to clarify beyond any possible doubt the positions of the two sides. The leaders of the National Union of Mineworkers will not agree to any form of words which enables the coal board to close pits on grounds other than exhaustion or geological factors. The board will not agree to any form of words which restricts its freedom of action in this way, although it is willing to submit closure proposals to an independent appeals body.

So the NUM is adamant in its determination to defy the laws of the market. The leaders of the union, the coal industry cannot and must not be turned into a business in which management decisions are influenced by economic considerations. Such is the importance of coal to the nation—and, they might add, of mineworkers to the Labour movement—that the capacity of the industry must be maintained at as large a level as physical conditions permit. The cost to the country, in the form of higher coal prices and subsidies, does not enter into the calculation.

Retraining

In a rational world the future of the coal industry, which is owned and supported by the state, might have been discussed in a tripartite forum between union, management and Government. The speed at which the industry should move from losses to profits, the criteria for defining high-cost pits and the consequent machinery for handling closures, the availability of funds for job-creating projects in areas affected by pit closures, the retraining of miners who choose voluntary redundancy—all these are matters in which the Government has direct and legitimate concern. It is perhaps regrettable that ministers should have distanced themselves from the conduct of negotiations in recent weeks; even now there is a good deal that the Government can and should be saying on these topics as part of its continuing campaign to win the hearts and minds of miners—and of the country at large. But any thought of tripartite meetings remains hypothetical as long as the union insists on pre-conditions which it knows that no government can possibly accept.

Thus the propaganda war and the war of attrition seem likely to continue, with mounting costs

for the coal industry and the country. Again, in a rational world, one might have expected more decisive intervention from the Trade Union Congress to end a dispute which is threatening the livelihood of so many trade union members. Most pragmatic trade union leaders must be asking themselves how much damage their association with Mr Scargill's cause is doing to the image and influence of the trade union movement. They are allying themselves with a man who has shown his contempt for the democratic procedures of his own union and for the TUC's code of conduct on picketing, a man who is seeking to impose his will on the country by sheer physical force.

The insurrectionist, anti-parliamentary wing of the labour movement is savouring every moment of the miners' strike; it is a heaven-sent opportunity for putting their vision of the class war into practice. Is this what the TUC wants to be identified with?

If the trade unions had a leader of the stature of an Ernest Bevin who could command support across a broad political spectrum, something more than TUC's present impotence might have been forthcoming. It is trade union leaders remain to all intents and purposes spectators, forced to give a show of support to a strike which most of them do not believe in.

Customers

It is impossible to predict how and under what terms the strike will be brought to an end. But even in the worst case of an apparent victory for Mr Scargill it is clear that the coal industry and the NUM will in a real sense have lost as a result of the strike. As with the steel strike of 1980, the capacity of the industry will be smaller and its share of the energy market lower than it would have been in the absence of the strike.

Quite apart from the damage to coal faces caused directly by the strike, the NCB's customers will want to make themselves dependent on the NCB, turning to other suppliers of coal and other sources of energy. It is also doubtful whether any government would feel justified in investing large sums of taxpayers' money in an industry effectively controlled by Mr Scargill. In the end the NUM's attempt to defy the market, the law and the Government will inflict profound harm on its own members.

The BNOC mask is slipping

WHILE the British Government attempts, through the National Coal Board, to impose a degree of market reality on the coal industry, it requires another pseudo-company, the British National Oil Corporation, to do exactly the opposite for North Sea Oil. Over the last year BNOC, which by statute buys and then resells over half the oil extracted in the British sectors of the North Sea, has found itself increasingly instructed to defy the market price for oil so that the UK can play an unspoken part in supporting the Opec price regime.

Statoil, the Norwegian state oil company, has just triggered one of the periodic crises inherent in such an approach. By deciding to move the official price for Norwegian oil down to around \$22.50, close to the prevailing spot market price for North Sea crude, it has left BNOC's official price of \$30 very visibly high and dry.

The Statoil move makes it far more difficult for BNOC to persuade the North Sea oil companies to buy back, at \$30 a barrel, the oil they have performed 'sold to BNOC' at the same price.

Credibility

The last time BNOC found itself ordered to resist the fall of prices in the oil market, at the end of July, the British Government resorted to "jawbanging" to shore up BNOC's position. It applied moral suasion to the oil companies to continue buying \$30 oil from BNOC. The tactic played its part in preserving OPEC's grip over the oil price. In attempting to hit the North Sea oil price at \$30, BNOC is contravening the agreements between it and the oil companies which require it to buy at "market price". It is also turning a blind eye to the profit targets agreed with the Government in May 1983. As a result the corporation's image as a commercial enterprise looks steadily more phoney.

One of the reasons for insisting that the North Sea operators pass half their output through BNOC is to preserve the British Government's access to North Sea oil in all circum-

stances. This security of supply is maintained cheaply and painlessly only if BNOC preserves its identity as an enterprise that conforms to market conditions. The North Sea operators then have little disincentive to trade through BNOC. Other oil purchasers are more willing to commit themselves to BNOC. And the Government does not have to pay for BNOC losses. Indeed, unless BNOC is allowed to operate in this way, it becomes rather a pointless institution. The Government might as well emerge from behind its mask as Opec-style price administrator.

Free market

Even though the UK is a net oil exporter the Government should not support the Opec price in a manner that lies in the face of its own free-market philosophy. Despite an international oil market that is reluctant to absorb the present, constrained Opec production quota, the rise of the U.S. dollar has pushed the ECU price of crude oil up by 8.5 per cent since August. Why should industries and consumers pay for this strange state of affairs? Why should the British Government complain about the U.S. budget deficit and level of interest rates and then reinforce the effect of the resulting strong U.S. dollar on Europe's economic life?

The answer is that it wishes to prevent a sudden collapse of oil prices. It wants to preserve its oil tax revenues. It wants to avoid the pressures on sterling, the general economic "climate", and the shock to the world credit system that would result. In which case it should use British oil output to steady, but not fight against, the trend in world oil prices. It should allow BNOC to set its prices on a "crawling peg" basis by taking account of a moving average of spot prices. Such an approach would restore BNOC's credibility as an oil trader. It would dampen the ups and downs of the world oil price, but would prevent the Government from adopting arbitrary price postures which then prove impossible to defend.



The key protagonists in the miners' strike, Ian MacGregor (left) and Arthur Scargill; and police restraining pickets at Port Talbot steelworks, South Wales

UK miners' strike

IT'S OFFICIAL. The mining dispute cannot be settled. It can only be won. The breakdown of talks at the Advisory Conciliation and Arbitration Service appears complete. And the decision yesterday by the pit deputies' union, Naoods, to call for a strike from next week deepens the crisis, and may hasten a climax.

The abortive attempt by the Acas team to throw a verbal bridge over the stormy Gulf of Principle which divides the National Coal Board from the National Union of Mineworkers had the merit of demonstrating that the best conciliatory skills available in the country as assessed by the dispute as everyone else. Mr Pat Lowry, his oriental calm rubbed this concession on Monday evening that agreement was impossible. Mr Denis Boyd, the Acas chief conciliator and bluff boss to Lowry's simon tenor, screwed up his mouth and looked at the floor. The Lowry-Boyd double act, as effective a team as the 10-year-old Acas has produced, had drawn the stumps. What follows will not be cricket.

That procedure would itself be amended to include an independent appeals body, which would judge whether or not a pit should be closed (according

to criteria which were never defined, but would certainly have included a "social" element) and to whose judgments both sides would give "full weight".

This was an innovation, but it was not central. The board founded on the phrase "the principles of"; the board had to have it in (and therefore agreed, with reservations, to the draft), the union had to have it out. It was not a bridge across, but the measurement of the Gulf. It expressed the incompatibility of producing for the market on the one hand, and planned production on the other. Had it stayed in, as Mr Ian MacGregor, the weary board chairman, said on Monday night, it would have been interpreted by the NCB as permitting closures on economic grounds. It is what the board wants, has always wanted, what the NUM opposes, has and will always oppose. It cannot be judged.

With the Acas backdrop out of the way, full hostilities are now likely to begin. But before a review of the strengths of the various actors in the deepening

Now it's a bitter fight to the finish

By John Lloyd

His fellow national officials—Mr Peter Heathfield, the general secretary and Mr Mick McCabe, the vice president—are often wistfully regarded by the Board as the men of moderation (this of one man who was instrumental in getting Mr Tony Benn his Chesterfield seat and another who is a Communist from top to toe). They have had qualms about the tactics of mass, violent picketing; Mr McCabe had to push Mr Scargill into accepting TUC support on other than his own uncompromising terms. But now that the TUC has been wheeled in behind the miners, the three are, effectively, one; and as long as that is so, the executive is unlikely to split.

Below the executive, the officers and the troops march to different tunes, but not different to those which have played for some months now. The working miners in Nottinghamshire and elsewhere are, for the most part, lost to Mr Scargill and will actively seek to frustrate him through the law—but not as yet have seen, in a two-headed beast, the strike-bound collieries have largely stayed so for over seven months, and it is hard to imagine how the Board can do more to enduce the miners' work—though many must wish to return and are simply fearful of the consequences. MPs in mining areas, not all sympathetic to the strike, report

the same phenomenon again and again: a huge wish to return to "normal life", but the continuing stubborn refusal by the most active and industrial elements to take a deal which does not give them victory as defined by their leaders.

Naoods now seems set to take the plunge into its first-ever national strike; that will effectively stop all coal production in the Midlands area (assuming the deputies there respond to the call) and will face the Board and the Government with harder choices more quickly. The Board says it will try to carry on production without the deputies—but this may prove impossible. It is a massive injection of aid for Mr Scargill.

Mr MacGregor and his chief lieutenants are not, obviously, as buoyed up as the miners' president; indeed, on Monday night, Mr MacGregor gave interviews in a husky, exhausted, low monotone. At an age when he could be enjoying the rewards of a talented and lucrative career, he has taken a terrific public pounding at the hands of a man he has grown to loathe. He cannot enjoy the luxury of screening out the press; there is an often-impatient Government on his back and a rebellious industry beneath his feet, and he is losing coalfaces and markets.

The rumblings of discontent

The phrase on which the talks foundered

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Clare's tax returns home

The life-story of Sir Charles Clare, as outlined by a High Court judge yesterday, has all the ingredients for one of the "mini-series" currently in vogue on television.

The sixth son of Lithuanian Jews who fled from persecution in Tsarist Russia in the last century; born in London's East End, where his father, Israel, had set up in business as a tailor; commercial empire-builder and multi-millionaire. Literally from rag-trade to riches.

Although "consumed with business and other interests", Clare was never a recluse, said Justice Nourse. Both social and sociable, he was equally content as host or guest, enjoying the company of both men and women.

A member of the Carlton Club and a founder-member of Annabel's, Clare engaged in the pursuits of a wealthy country gentleman, his racing colours well-known on the turf in England, Ireland and France.

But then the English tax system drove him into exile, seeking some haven from the importunate demands of the taxman on his millions. He bought a flat in Monte Carlo, and also considered settling in other foreign parts.

But he was not happy "abroad". He always felt that England was home, and by the time he died was apparently almost ready to return and pay the tax consequences.

Monaco bored him, his close friends said, and the judge gained from their evidence an impression of "loneliness or boredom... unhappiness and doubts."

It was clear, the judge concluded, that if he had to live abroad, Clare's first choice would have been Paris with "its varied social life and its accessibility to the best French race-courses."

But he died before he could finally make up his mind. And,

Men and Matters

As a result it looks as though the taxman will win after all.

Lloyd's letter

Lloyd's of London has recovered another relic of the Royal Navy frigate *Lutine* which sank off Holland in 1799. The ship's bell, the famous *Lutine Bell*, has been rung at Lloyd's ever since to notify members of important events such as the loss of a ship.

Now Scotia Philately, acting for Lloyd's solicitors Clyde & Co, has acquired the bell, which among the mail being carried by the frigate that is known to have survived.

The letter was sent from London to Samuel Turner in Hamburg, and was found floating in a portmanteau near the wreckage. It is stamped: "Sav'd from the wreck of the *Lutine* Frigate."

Turner was an agent for the Hennessy family and for the past 180 years the letter has been kept in the company archives at Cognac.

Insurance market shortly and will be displayed in the new Lloyd's headquarters building.

Board games

The battle between the Big Board and its scrappy, fast-growing rival, the National Association of Securities Dealers' over-the-counter market, is hotting up.

Last week the New York Stock Exchange took out full-page adverts in major U.S. financial publications to proclaim its latest coup—luring American International Group, the New York-based insurance conglomerate which had been

Low season

Travellers watching their waistlines, but not yet fully converted to the virtues of wheatear and carrot juice, are being wooed by the Canadian-owned Four Seasons hotel chain.

Claiming to operate the most expensive hotels in London and Paris, the Inn on the Park, and the Pierre—the group is apparently trying to establish another new record in offering diners a little for a lot.

Next Four Seasons restaurants will shortly have a gourmet "alternative menu," low in calories, sodium and salt.

The FT man in Toronto sat down to preview lunch the other day and munched through a 605 calories meal, in contrast to the Four Seasons more usual four-course 2,000 calories job.

Guests were served scallops and salmon with thyme, mixed salad, veal medallions with mushrooms, and a champagne fruit terrine.

Isadore Sharp, chairman of Four Seasons, has instructed chefs not to compromise on taste or appearance with his light bite. But he does concede that the new menus will be a disappointment to those who love sweets and puddings.

With the experiment running in all his 19 hotels, and to be offered in a new hotel to be opened in Boston, who knows, it might catch on.

Home help

When the Duke of Norfolk was introduced at the opening of the Aquascutum store on New York's Fifth Avenue his long list of hereditary titles was read out concluding with that of Lord High Butler of England.

The Duchess was heard to whisper, "And he only just knows how to load the dishwasher."

Splash out on an auld acquaintance.

market-place, providing prestige, visibility, liquidity and investor confidence."

Observer

El Salvador's civil war

The talks that raise hopes of peace

David Gardner reports from San Salvador



President Duarte in La Palma

TEN DAYS AGO, almost no one would have put money on peace breaking out in El Salvador...

Yet on Monday, peace talks opened publicly between the U.S.-backed government of Sr. Jose Napoleon Duarte and the country's powerful left-wing insurgents...

The small town of La Palma, tucked up against the northern frontier with Honduras and in the heart of large rebel-controlled Chiriquino province, became the venue for a peace carnival built around the first attempt by Government and insurgents to structure their demands and differences in a way which might lead to a settlement.

Political and military leaders from both sides met in La Palma's garish parish church. Outside, thousands, waving white flags stood for over seven hours in a setting last punctuated by torrential tropical downpours, clamouring for an end to war. While such an outcome is not yet in sight, the crowds did not go away empty-handed. A joint committee is to be set up, with four government and four rebel members under church mediation, to present and study detailed peace proposals.

Both the U.S. and the Salvadoran army have abandoned hope of a short-term military victory over an increasingly sophisticated and able enemy, but are determined that any negotiations with the guerrillas should be carried out from a position of clear military advantage, preferably with the insurgents politically and diplomatically isolated.

At the La Palma meeting on Monday, the front political ranks of both sides, and opposing commanders wearing battle fatigues, met on apparently equal terms while the whole nation (and a good slice of the world) watched on television, despite a bomb attack in San Salvador which disrupted broadcasting for most of the morning.

Guillermo Ungo, the rebels' main spokesman, Socialist Democrat leader, drew nearly as much applause and excitement from the crowd as the mercurial Sr Duarte. The meeting has almost certainly conferred a greater degree of legitimacy on the rebels, both domestically and internationally.

Yet Sr Duarte has managed to retain the initiative he so dramatically seized. It was the

in proportion to those governments' inability to defeat the guerrillas, at first seemed unorthodox about the move. Mr George Shultz, the Secretary of State, subsequently gave it the U.S.'s public backing.

Salvadoran President's seven-page paper offer that dominated the meeting and his proposals which largely made up the joint communiqué that was agreed. The reaction of El Salvador's murderous extreme right, whose implacable hostility to even mild reforms helped unleash this civil war, has for its part been remarkably restrained. The most active of the death squads, the Secret Anti-Communist Army has, it is true, denounced Sr Duarte for treason and given a warning that he is now a legitimate military target.

Since the spring election campaign, the far right has been denouncing the Christian Democrat leader as alternatively a U.S. or Communist puppet, who has been selling out national sovereignty. However, Sr Duarte has taken some of the wind out of their sails by playing up the "nationalist" nature of his peace move. He has decried the Americans for taking the initiative himself and he has refused all outside mediation, including President Betancur of Colombia, and Herr Why Brandt, the President of the Socialist International.

President Betancur has been the most successful intermediary between the Government and rebels apart from the Salvadoran church—and has the experience of negotiating an end to Colombia's 35-year-old insurgency with last August's

armistice. But Sr Duarte has made great claims of the need for Salvadorans to work out their own solutions—a view shared with the guerrillas. It is still to be seen how much ground both Sr Duarte and the rebels are prepared to give—and how the U.S. would view any rapprochement. Though U.S. policy in the region has been more pragmatic than the Reagan administration's stridency would suggest, it remains Washington's policy to crush the rebel's FMLN army in El Salvador and discipline the Sandinista regime. The U.S. has started a programme to double the Salvadoran armed forces' air power by the end of the year and last year it more than doubled military aid, from \$81.3m in fiscal 1983 to \$196.6m in the fiscal year just ended. El Salvador is getting close to total economic dependence on the U.S., while Washington's political clout is a key factor in the internal balance of power.

Washington supplies \$1m a day in direct aid, and almost \$100m a year in remittances. The American markets met \$273.5m out of total Salvadoran exports of \$294m last year. But three-quarters of these are coffee and sugar sales, almost all within the U.S. preferential quota system, with a high mark-up over market prices. These sales, controlled by the Government, provide the majority of budget revenue outside the direct aid. Politically, U.S. insistence on prosecuting the war but simultaneously trying to undermine the rebels through the introduction of reforms especially in land holdings, has shifted the centre of gravity towards the middle ground. The leverage of military aid has also pushed the far right, spearheaded politically by Major Roberto D'Abuissou's Arena party, towards the role of loyal opposition rather than that of shock troops in the street. Both these factors impose limits on Sr Duarte's autonomy, however unpredictable his actions some times appear. While the centre to centre-right ground occupied by Sr Duarte has a large constituency in El Salvador, holding this ground in the middle of a civil war is another matter, and probably could not be achieved without U.S. support.

Much will also depend on what the rebels are prepared to accept as the minimum conditions. Rebel leaders have ceased to insist in recent months on their February platform of a broad-based popular government which would involve power-sharing and their fusion with a regular army. A senior insurgent leader, referring to control over the army said last week: "In El Salvador these guarantees are not a separate subject from the problem of power." Perhaps the major forward movement over the last week is the upsurge of popular agitation for peace. In La Palma, the banners and bunting, the slogans and marches were to a large extent stage-managed by the Christian Democrats. But they need not have been. Talking to a cross-section of people in La Palma and other areas affected by the war like Usulután—overrun by rebels last autumn, but whose control over towns tends to alternate—the deep-felt desire for an end to the bloodletting is overwhelming. Manuel Doñan is a government employee, given the day off and free transport to La Palma last week. He is emphatic that: "Yes, we hope this dialogue will lead to peace... with dignity for both sides."

Exchange rate stability

From Mr G. Dennis. Sir,—The concerns expressed by Mr Robeson (October 12) on sterling's entry into the European monetary system are understandable. His main worry however, over the inclusion of sterling as a leading investment currency alongside the D-mark in the EMS is based on what may be an incorrect premise, namely, that dollar weakness will also lead to sterling being gold in favour of the D-mark.

A major objective of those who established the EMS was to seek a united response to dollar weakness in 1971-73. By creating a system of fixed parities, the objective was to spread flows of money destined for the D-mark into other European currencies, so relieving upward pressure on the D-mark. In achieving this objective, the EMS has been successful. A more even distribution of money inflows requires more than a simple announcement of a system of fixed, but adjustable, exchange rates. In consequence, the EMS has been successful at times of dollar weakness as well as times of dollar strength. Since March 1983 has been based on the strength of the dollar.

The entry of sterling would only threaten the cohesion of the EMS if sterling were sold for D-mark at times of dollar weakness. As a significant investment currency, attracting some of the funds flowing out of the dollar, the strains within the EMS would actually be eased. I would argue this latter case is more likely given the much improved inflation performance in the UK recently. If the belief grows that the inflation rate in the UK is likely to remain low for a significant period, such that the difference between inflation in Germany and the UK is small, sterling will attract significant inflows. In this sense, sterling will enhance the tendency for the EMS to operate as a D-mark area and so increase the cohesion of the system.

Mr Robeson's doubts over other arguments in favour of EMS membership may also be misplaced. For those who are fundamentally against EMS membership, the optimum moment to join, given our inflation performance, the petro-currency status of sterling, the reduced stability of exchange rate fluctuations in the EMS and the possibility of a common dollar policy, may simply never arrive. Surely the crucial point is that in all these senses the current situation is much more conducive to a successful entry of sterling

Letters to the Editor

Do pension scheme members in this country really view their employers with the same degree of scepticism as does Mr Harrington?

I would anticipate that the more likely reason for the comparatively small number of AVC contributors is the fact that contributions cannot be withdrawn until retirement if a member leaves the pension scheme with more than five years pensionable service. P. A. Soafie, 32, The Holdings, Hatfield, Herts.

Trades unionism and the law

From Mr J. Thackray. Sir,—Your legal correspondent's jibe (October 11) that for union activists "the law is only what, in the opinion of their leaders, is good for the trades unions" is a sad misrepresentation of the current clash between the unions and the judges.

Leaving aside the political dimension of much of the recent legislation, the trades unions have always, and under any government, found themselves in difficulties with the law. Not because they object to law as such but because the very basis of the English legal system acts to the disadvantage of collectives of workers. The nature of unions requires they place the rights of the few, since in collective action they would be damaged through the exercise by individuals of their "freedom" to work "scabbing" is seen as self-centred anti-social individualism.

Likewise, the effectiveness of union action against an employer always, at bottom, depends on the ability to damage the employer interest. A fact that is known to negotiators on both sides. Thus, when the law is invoked to secure the "freedom" to work for the few at the expense of the right to work for the many or, through the injunction, to negate the damage to the employer of industrial action, it should not be surprising if trade unions and judges clash.

Another long-running complaint of the unions concerning the judiciary is also well illustrated by your correspondent. While denying the right of individual union leaders to challenge the justice of the law, he is fulsome in his support for

the remaking of the law by judges in accordance with what they consider to be a greater justice. Are judges not individuals?

This power of the judges, unionists argue, tends to work against the trade union interest because the social background of judges is never that of workers and because they have little or no appreciation of the realities of industrial conflict.

In 1920 Lord Justice Scrutton made this famous comment to his fellows that "The habits you are trained in, the people with whom you mix, lead to your having a certain class of ideas of such a nature that, when you have to deal with other ideas, you do not give sound and accurate judgments as you would wish." This is one of the great difficulties at present with labour. Labour says "where are your impartial judges?" They move in the same circle as the employers and they are all educated and nursed in the same ideas as the employers. How can a labour man or a trade unionist see impartial justice?

Less anyone feel that judges have now in 1984 a greater appreciation of the realities of industrial conflict, I would quote from your piece on Mr Justice Nicholas, currently sitting on the bench of the NUM and its president—"As far as anyone can recall, he was never involved in a case to do with trade unions or industrial disputes." John Thackray, Business School, Leeds Polytechnic, 5 Queen Square, Leeds.

Collaboration in selling

From the Director, Marketing and Sales, STC Components. Sir,—We welcome the coverage by Bridget Bloom (October 9) of the mobile subscriber equipment (MSE). This well balanced article discussed Parmigan, the new generation communications system developed and produced by UK electronics companies. In particular, it drew attention to the positive approach being adopted by the UK electronics industry to market this high technology product to the U.S. backed by the full resources of the British Government.

We would, however, like to set the record straight on one aspect. For this particular bid there is equal participation by STC, Plessey, Marconi and others who are all subcontractors to the prime contractor, Rockwell Collins. This is the collaboration which, as Michael Clarke of Plessey is quoted as saying, is "A real UK Ltd approach." Ronnie Luckman, Edinburgh Way, Harlow, Essex.

U.S.—Japanese relations

A modest proposal for marriage

By David Hale

BEFORE the White House commits its 1984 platform to restoration of the gold standard, it should investigate a simpler supply side solution to the nation's monetary and fiscal problems—merger between the U.S. and Japan.

History suggests that restoration of the gold standard would be a Trojan Horse for future austerity. But an American-Nippon union would vastly increase the supply of savings in the U.S. financial markets, resolving at a stroke all of America's difficulties with budget deficits, high interest rates, a volatile dollar, and LDC (less developed country) debt.

Marriage has long been an acceptable solution to the micro-economic problems of individuals. There is no reason why countries should not unite in order to resolve their macro-economic difficulties.

But the fact is Japan and the U.S. have a great deal to offer each other. Not only do they have such a symbiotic economic relationship as to make the expense of running separate national households unnecessary. They actually share the most important ingredient for marital bliss in the modern world—complementary neuroses.

Like all invertebrate nations, modern Japan has a great propensity to work and save. Like all imperial powers in transition to bumble status, the U.S. has a great compulsion to borrow and spend in order to maintain a lifestyle which it can no longer really afford.

The Reagan Administration has been able to launch an economic boom with a "status and butter" fiscal policy not because the American people are working any harder or saving any more, but because they have a large trade deficit with East Asia which the Japanese financial system recycles to the U.S.

While many Americans resent Japan's commercial success, nations have two large wealthy nations found such compatible roles.

It was once fashionable to argue that capitalist countries had to pursue expansionary foreign policies in order to find

Third, union with Japan will permit the U.S. to continue looking after the defence needs of its older relatives in Europe. History shows that there is a high correlation between U.S. willingness to defend the free world and the Treasury's ability to export some of the cost through an overvalued dollar. The currency crises of the 1970s undermined Pax Americana and encouraged the U.S. drift towards neo-isolationism. Now Western security is being restored through Pax Americana, in which new weapon systems are built by the U.S., financed by Japan, and warehoused by Europe.

Merger with Japan would eliminate any potential exchange rate threats to the Pentagon by effectively converting a large share of America's burgeoning external debt into equity.

The final argument for an American-Japanese federation is that the U.S. Treasury may accidentally destroy the unique trans-Pacific financial equilibrium now sustaining U.S. recovery and rearmament. Mr Donald Regan is putting pressure on Japan to liberalise its financial system and expand consumer lending. This could ultimately retard capital outflow.

Mr Regan fails to understand that the success of Reaganomics depends heavily upon the conservation of Japanese financial institutions. The U.S. can live beyond its means only if someone else is prepared to board dollars and deny credit to its own citizens.

Ironically, if Mr Regan does successfully export U.S. economic thinking to other countries, he is financial deregulation to Japan or big budget deficits to Europe, he would soon get a chance to implement the radical economic ideas in the 1984 Republican platform, including both the gold standard and the constitutional amendment for a balanced budget. But neither would be first steps to the prosperity promised by the platform writers. They would instead be components of an IMF austerity programme designed to rescue the dollar from large-scale capital repatriation.

The author is chief economist for Kemper Financial Services, Chicago.

Harrisons & Crosfield

INTERIM STATEMENT (UNAUDITED) Table with columns for 1984, 1983, and 1983 Year to 31st December. Rows include Group profit before interest and taxation, Group profit before taxation, Group profit after taxation, Earnings for Ordinary shareholders, and Earnings per Ordinary share.

Results and Prospects. The improvement reported in the second half of 1983 has continued in this period. Whilst in most recent years the results in the second half of the year have been considerably in excess of the first half, an approximately even pattern has emerged in 1984 to date.

Interim Dividend 4.5p per Ordinary share. Table with columns for 1984, 1983, and 1983 Year to 31st December. Rows include Plantations, Chemicals and Industrial, Timber and Building Supplies, General Trading, Property disposals, and Group profit before interest and taxation.

NOTES: 1. The Group disposed of its interests in ten UK plantation and investment companies to Harrisons Malaysian Plantations Berhad. This was completed in July 1984 and provided the Group with cash of around £15 million. Also, on 30th May 1984 the company cancelled 1,439,989 Ordinary shares. The net surplus arising from these transactions will be dealt with as an extraordinary item in the full year's accounts.

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PRICE CUT EMBARRASSES OPEC AND UK

Norway's oil pressure rises

BY DOMINIC LAWSON IN LONDON

NORWAY'S decision effectively to cut the price of its North Sea oil has pushed Britain and the Organisation of Petroleum Exporting Countries (Opec) into an embarrassing huddle, from which a new and lower level of world oil prices or production might emerge.

The amount of oil involved in Norway's case is relatively small. Statoil, the Norwegian state oil company, sells about 300,000 barrels of oil a day at fixed prices to term buyers. Buyers were paying \$30 a barrel; effective from October 1 they will pay about \$28.50.

Norwegian oil is identical to British North Sea oil - some North Sea fields are jointly owned - and so the British National Oil Corporation (BNOC) is now under enormous pressure to introduce a similar cut.

If BNOC does follow, and that seems likely, Opec comes into the picture.

Nigeria, an Opec member, sells crude that is directly competitive with North Sea crude. If it is not to lose business to the North Sea producers, it would have to cut its own price.

Then, the argument goes, the

whole Opec pricing structure would collapse.

What could Opec do? Dr Mann Said al Otaiba, the chairman of Opec's market monitoring committee and oil minister of the United Arab Emirates, said that if non-Opec producers followed the Norwegian example there would be an extraordinary meeting of Opec ministers in the next two weeks at which a cut in Opec's production ceiling of 17.5m b/d would be put forward as a means of holding the market price.

If such a policy were adopted it would mean considerable financial sacrifices for Opec member countries, which debtor nations such as Venezuela and Nigeria might be unable to make.

It would, however, be wrong to ascribe the present crisis to quota breaking on the part of Opec members, with the exception of tiny Qatar. Opec production in the third quarter was estimated at only 16.8m b/d by the International Energy Agency, and Opec experts believe that, based on nominations, Opec production this month is likely to be at the official 17.5m b/d ceiling.

The difficulty has been caused largely by some Opec members selling their crude at below the official \$29 marker price but in disguised form.

Libya has managed it by introducing new tax concessions. Iran has used a number of methods, the most recent being to give its big Japanese customers 60 days' free credit on purchases. Other Opec countries have sold their quota partly in the form of refined products, but, after recovering the costs of refining, appear to be selling crude below official prices.

The consequence of such discounting has been weakness in oil spot prices, which has eventually led to the Norwegian move. Statoil's difficulty - as BNOC's also - is that they were losing money by selling oil on the spot market, because customers were increasingly refusing to buy at the undiscounted official \$30 price.

A second obstacle for all oil price setters is the strength of the dollar, the currency in which all oil is traded.

With the dollar touching record levels against other currencies, the price of oil has effectively been increased.

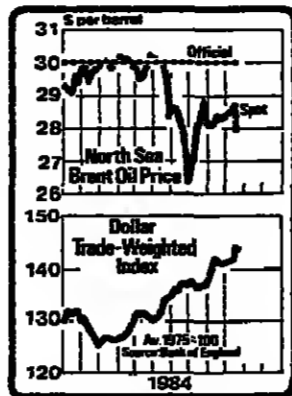
While that in the short term is good news for oil producers, it has had the effect of depressing demand.

The key to issues in the world oil market goes far deeper than the strength of the dollar. The heart of the matter is that the price differentials between light and heavy crudes is too wide. Light crudes are now, at official prices too expensive in relation to heavy crudes.

The reason is that oil refineries worldwide have gone through a steady process of upgrading, which has enabled them to generate increasing amounts of quality gasoline, from heavy crude oil. So refiners have therefore preferred to buy heavy crudes - which are cheaper - and take light crudes at a smaller premium than had previously been the case.

For the UK and Norway, whose crude mix is overwhelmingly (about 90 per cent) light, the situation is particularly acute.

Here the gap between official and spot prices is wider even than those experienced by Opec producers. It is for similar reasons that Abu Dhabi recently threatened to cut unilaterally the premium charged on its



THE LEX COLUMN

The market gets a fuel bill

Most of yesterday's shakeout had been stored up for the market overnight. The Norwegian cut in North Sea oil prices was already discounted in the pound and gilt edged - and particularly in oil shares - before the London markets could do any serious trading. Market makers of every sort, from spot oil to equities, had seen the sellers coming in time to put up a barrage of defensive mark-downs. For the rest of the day even pessimists spent most of their time trying to buy things that had been made to appear cheap.

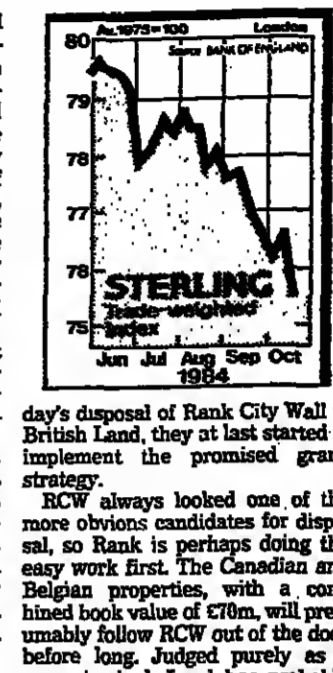
If oil were the only worry it might mean no more than a difficult few days for sterling, which must now be looking too sickly for the authorities to feel really comfortable.

Despite a reassuring FSRB statistic yesterday, the chance of base rates ever being cut in time to ease British Telecom's market entry seems rather remote. For that to happen sterling would have to withstand the likely intensification of the coal dispute in the face of a renewed general advance of the dollar.

Normally the sight of U.S. banks cutting their primes - particularly if accompanied by the first fall in U.S. industrial output for two years - would be expected to anticipate a weaker dollar. Yesterday, however, the foreign exchange market behaved as if it had seen the last of central bank intervention. It also did nothing to suggest that it was discounting a slacker demand for dollars.

It may be that U.S. banks cannot afford to cut their primes any further without a drop in the Fed funds rate. In that case the currency markets might simply doubt whether the Federal Reserve is going to loosen up.

If the third quarter GNP figures are revised sharply downwards this week, however, that scepticism might turn out to have been misplaced.



day's disposal of Rank City Wall to British Land, they at last started to implement the promised grand strategy.

RCW always looked one of the more obvious candidates for disposal, so Rank is perhaps doing the easy work first. The Canadian and Belgian properties, with a combined book value of £70m, will presumably follow RCW out of the door before long. Judged purely as a property deal, Land has probably secured the better end of the bargain. Its own share price rose 5p to 136p yesterday, while Rank's slipped 4p to 248p.

Land manages to enhance both its earnings and assets per share in exchange for shouldering a deferred tax liability of £14.5m. It will be highly geared on the capital front, but the cash flow from the investment is attractive and the group's overall portfolio looks better balanced.

Rank, meanwhile, has sacrificed perhaps 15 per cent of the notionally achievable value for a quick package sale, but will see a small benefit - of perhaps £1m - to the revenue account and a substantial drop in net debt. Above all, it now has the scope to show shareholders what it means by investment in high-yielding assets.

Akai plans to build VCR plant in France

By David Housego in Paris

AKAI, the Japanese electronics group, is to make a FF 35m (\$3.8m) investment to build a VCR plant in France.

The group said yesterday that Honfleur had been chosen in preference to an alternative site at Birmansham in Britain because of the good labour relations and higher productivity at Akai's existing Honfleur plant. Since 1982 Akai has been making hi-fi equipment in France and assembling video sets.

It claims to have 12 per cent of the French market in the two items and sales this year of FF 500m. Almost two years ago Akai threatened to suspend its French operations.

The threat was in reprisal against the French Government's protectionist measures to limit the import of VCRs into France by forcing them to be processed through Poitiers in central France for customs purposes.

The French Government will, however, be providing assistance through its regional funds and through the new industrial modernisation fund to facilitate the Japanese investment.

DATAR, the regional fund, will provide FF 35,000 for each of the 300 new jobs to be created. The local authorities have also said that they will waive the taxe professionnelle - a type of payroll tax.

The new venture by Akai adds to a growing list of new Japanese investment in France.

Yamaha, the Japanese motorcycle group, recently linked up with Motobécane to form a newly reconstituted company, and Peugeot Cycles signed a new joint venture with Honda to manufacture small motorcycle engines.

The new installation at Honfleur will manufacture 100,000 video sets a year.

European businessmen call on Japan to ease restrictions

BY ROBERT COTTRELL IN HONG KONG

EUROPEAN businessmen in Japan want more financial liberalisation, tougher anti-counterfeiting laws, more foreign lawyers, and fewer bureaucratic hurdles for drug companies.

They say those and other measures would make it easier for foreigners to do business in Japan, and would help to redress Japan's \$10bn visible trade surplus with the EEC.

The recommendations come in a report called Doing Business in Japan, published yesterday by the European Business Council (EBC), a group comprising heads of EEC countries' chambers of commerce and business associations in Japan.

The EBC report says that it is "difficult, if not impossible, for a foreign lawyer to practise extensively in Japan." It says Japan should recognise a new category of "legal consultant," enabling foreign lawyers to open offices in Japan providing legal advice, but not engaging in litigation.

In financial services, the council

says it wants Japan to set up a fully fledged offshore banking facility, authorised to handle yen transactions and enjoying tax concessions.

It wants foreign banks to be able to take advantage of a broader range of links with the Bank of Japan, and it calls for simplified procedures for opening additional bank branches.

The report also calls for a "lender of last resort" mechanism to be made available to foreign banks, which is understood to mean guarantee of central bank backing for commercial banks in Japan, and a liberalisation of Japan's "artificially" low interest rates to reflect world lending conditions.

The EBC says Japan takes too long - an average of 2 1/2 years - to evaluate drug registrations, and that its pre-clinical test guidelines are indefinite and ambiguous.

It also wants the Japanese Government to publish a "negative" list of ingredients unacceptable in cosmetics, and a "positive" list of ingredients approved for food additives.

The report presented copies of the council to Japanese government bodies, including the ministries of health, finance and justice, and the prime minister's office, and the Federation of Economic Organisations, Japan's main private-sector business lobby. The EBC hopes its report will form the basis for more detailed discussions with the various bodies.

According to EBC figures, 1,100 European companies operate in Japan through an equity-financed company or branch office. Of a total European investment of ¥156,36m (\$827.7m), the UK accounts for ¥60,76m, the largest segment, followed by West Germany with ¥42.8bn.

New York City settles tax row with banks

By William Hall in New York

NEW YORK City has settled a long-running dispute with seven leading U.S. banks, which booked loans in offshore Caribbean centres to escape taxes, by collecting \$111m of back taxes in the largest tax settlement in the city's history.

The settlement, which covers the period 1975 to 1982, centres on the issue of whether loans booked in tax-free areas such as the Caribbean are subject to U.S. tax on their profits. City tax officials argued that since much of the work and decision-making on the transactions was still done in New York some of the profits should be subject to its taxes.

The seven banks involved - Bankers Trust, Chemical, Irving, Bank of New York, Manufacturers Hanover, Marine Midland and U.S. Trust - argued that since the loans were booked offshore they had no liability. However, to avoid costly litigation, the city and the banks have been negotiating a settlement for the last year.

Since the dispute started New York has enacted legislation allowing its banks to do offshore banking in the city virtually "tax-free". The settlement will not affect the banks' 1984 earnings since they have already set up reserves for their contribution.

Half German forests 'damaged or dying'

BY PETER BRUCE IN BONN

JUST OVER HALF OF West Germany's forests are damaged or dying as a result of pollution, according to the latest official government survey, released in Bonn yesterday.

Herr Inge Kiechle, Minister for Food, Agriculture and Forestry, said pollution-related diseases had spread from 34 per cent of forested land to 50.2 per cent (3.7m hectares) in the past year.

At a joint press conference with Interior Minister Herr Friedrich Zimmermann, Herr Kiechle said a particularly sharp increase in damage to deciduous trees revealed in the report added "a new dimension to the ecological consequences" of the spread of forest damage. The number of affected beech trees had doubled, and affected oaks had trebled in the past 12 months.

Herr Zimmermann, describing the results of the survey as "shocking," confirmed that he would hold talks with his opposite numbers in London, Paris and Rome next week in an effort to reach an accommodation with Community partners angered by Bonn's unilateral commitment to introduce low-pollutant cars in West Germany in 1988 and 1989.

Despite the strong reaction of both ministers to the report, they warned against "panic and blind action," arguing that joint action be-

tween European neighbours, the introduction of speed limits on West German autobahns and the decision to fit German cars with catalysators were part of a slow but resolute process towards curbing the country's pollution.

The Government will find it difficult, however, to resist court orders for action that come almost daily not only from special interest groups but, increasingly, from state governments.

The Christian-Democrat Baden-Württemberg administration yesterday called for the states to draw up plans to halve the 6.1m tonnes of nitrous oxide and sulphur dioxide pollutants produced annually in the country in the next five years.

With probably more than just an eye on the state elections early next year, the Christian Democrat and Liberal coalition in Saarland yesterday called for an immediate introduction of tax concessions for cars equipped with anti-pollution mechanisms.

The Federal Government will probably be relieved, however, that more detailed statistics in its survey show that of the forests officially declared diseased, only 1.5 per cent are considered beyond all help. That figure rose only marginally in the year.

Premier rejects Carless bid

By Ray Maughan in London

PREMIER Consolidated Oilfields, the independent British oil group, yesterday rejected a revised £105m (\$120m) bid from UK rival Carless Capel Leonard as Carless sent its stockbrokers into the London market at the start of trading to buy almost 15 per cent of Premier's shares.

The new terms are one Carless share and £1 nominal of 8 per cent convertible unsecured loan stock 1996-2000 for every four Premier shares. The adjustment means the Premier shares are valued at 70p each, taking Carless at 180p, down 7p, which compares with Premier's closing price of 69p up 3p.

The market tactic mirrored Unilever's raid on Brooke Bond shares last week. Whereas Rowe & Pitman was able to give its client majority control at that occasion, Carless's refusal to add a cash alternative to its new terms limited its purchases to 15 per cent Rowe & Pitman also acted for Carless yesterday.

The outcome means that Carless now controls 16.73 per cent of its target. It expects to post its formal offer documents tomorrow and the bid will remain open for a further 14 days.

See Lex, this page

Oil price fears hit sterling

Continued from Page 1

Foreign exchange dealers also reported a substantial purchase of sterling by the Soviet Union, while the Bank of England may have intervened with small buy orders to stop it falling too quickly.

The dealers said there had yet been no build-up of speculative pressure against the pound comparable to that in July, but they said that it might remain vulnerable to any further adverse developments in the pit dispute or oil prices.

The Government, which is keen to push interest rates lower to aid the economic recovery, has so far taken a fairly relaxed view of sterling's recent fall particularly since much of it can be blamed on a strong dollar.

However the view in Whitehall now appears to be that there is sufficient pressure on the pound to rule out an early reduction in interest rates.

World Weather

City	Temp	Wind	Cloud	Temp	Wind	Cloud
Aberdeen	12	15	18	19	22	25
Aldershot	15	18	21	24	27	30
Amman	10	13	16	19	22	25
Ankara	8	11	14	17	20	23
Antwerp	12	15	18	21	24	27
Bahia	24	27	30	33	36	39
Bangkok	28	31	34	37	40	43
Batavia	26	29	32	35	38	41
Bombay	24	27	30	33	36	39
Buenos Aires	18	21	24	27	30	33
Calcutta	26	29	32	35	38	41
Cairo	18	21	24	27	30	33
Cardiff	12	15	18	21	24	27
Chennai	26	29	32	35	38	41
Copenhagen	10	13	16	19	22	25
Dakar	24	27	30	33	36	39
Delhi	26	29	32	35	38	41

Reagan switches campaign strategy

Continued from Page 1

ting out at the issues. Ms Ferraro, in particular, has added a light but cutting humour to her repertoire. In Iowa, a farming state that Mr Reagan won comfortably in 1980, Ms Ferraro received a tumultuous reception from 10,000 supporters at a rally in Ames, just north of Des Moines.

She then proceeded to tell her audience how Mr Reagan's decision to use former Democratic President Harry Truman's train for a whistle-stop tour of the mid-West was an apt symbol for the Reagan presidency. "There he is in the last carriage of the train, facing backwards with no idea who is at the controls

in the front," she said to a roar of applause.

Commenting on excuses for Mr Reagan's poor debate performance, such as Senator Paul Laxalt's remark that the President had been "brutalised" by being forced to learn too many facts, Ms Ferraro asked: "Since when has it been cruel and brutal punishment for a President to have to learn the facts he needs to be able to govern?"

While firing off sharp volleys at the symbolism Mr Reagan has been using to underpin his re-election campaign, the Democrats have continued to pound away at Mr Reagan's record on the environment, on

high interest rates and the budget deficit and, by implication, Mr Reagan's own ability to carry on for another four years.

Mr Reagan still commands a comfortable lead in most opinion polls, but the erosion of support is forcing the President to focus more on his own campaign rather than on directly helping to re-elect Republican Congressmen and Senators, that has come as a welcome relief to the Democrats, who are hoping that even if Mr Mondale does go down in flames they will be able to hang on to their strong position in the House of Representatives and perhaps win control of the Senate.

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INTL. COMPANIES and FINANCE

Chalmers suspends tractor production

By William Hall in New York
ALLIS-CHALMERS, the Milwaukee-based farm and process machinery group, is suspending production of tractors and combine harvesters for several months and seeking a further refinancing of its debts because of the slump in the agricultural equipment market.

The group suffered a \$3.9m reduction in net losses in the third quarter to \$15.6m, but this includes the benefit of \$15m from the sale of tax benefits. For the first nine months of 1984 Allis-Chalmers' net loss has been cut from \$112.5m to \$48.3m.

The company, which has lost more than \$400m over the past 3 1/2 years, continues to paint a bleak picture of conditions in the agricultural machinery business. Its sales were down significantly compared with the third quarter of 1983 and the first two quarters of 1984.

It said that "lower sales and continued severe price discounting for tractors and combines resulted in an increased loss for the agricultural equipment business."
The market had not improved as anticipated, with the result that dealers were carrying large inventories of farm machinery. As a result, the company is to shut down production of tractors and combines for portions of the fourth quarter of 1984 and into 1985.

French bank capital rules simplified

By Our Financial Staff
THE French Finance Ministry has simplified the banks' capital requirements and brought co-operative and mutual banks under the same rules as other banks.

Each bank will not have to have at least FFf 15m (\$1.6bn) capital, or FFf 30m within 18 months of total assets exceeding FFf 1.2bn. Banks have between two and four years to bring themselves in line.

Savings banks and municipal credit funds will be subject to the same requirements except their minimum capital need be only FFf 5m if their assets are less than FFf 600m.

Investa to form merchant bank

By Our Financial Staff
INVESTA, a Norwegian investment company owned by the Vesta-Hygea insurance group, is to form a merchant banking and securities dealing company with a capital of Nkr 10m (\$919,000).

Investa will hold 60 per cent of the new group and four senior executives of Sparbanken Oslo Akerhus will own the balance. The executives are shortly to leave Sparbanken.

The new firm, named Invest Securities, will be based in Oslo, but plans to open an office in London. It is intended to have a major Norwegian and/or foreign institution buy into the company at a later stage.

Surge in earnings for Swedish paper group

BY OUR STOCKHOLM STAFF
MODO, Sweden's third largest forest products maker, reports a strong surge in pre-tax results for the first eight months of 1984, and predicts that full-year earnings will triple to over SKr 1bn (\$113.6m).
Sales advanced by 19 per cent to SKr 4.35bn with 80 per cent generated outside Sweden, largely in dollar-denominated pulp contracts. With high capacity utilisation, costs grew by only 11 per cent and the result after depreciation was SKr 600m, against the SKr 346m achieved last year.
Nearly all the improvement was generated by higher margins in the MoDoCell divi-

Travel unit helps Amex to earnings turnaround

BY PAUL TAYLOR IN NEW YORK

AMERICAN EXPRESS, the U.S. financial services group, yesterday posted its first quarterly net earnings gain for three quarters after its 1983 fourth-quarter loss caused by problems at its Fireman's Fund insurance unit.

The turnaround mostly reflected a sparkling performance by the American Express travel related services unit, which offset slightly lower earnings from the international banking and investment services divisions and the still depressed earnings from the insurance group.

The New York-based group said net earnings increased to \$185.2m or 85 cents a share in the latest quarter, against \$180.2m or 86 cents a share in the 1983 period on revenues which rose 34 per cent to \$3.85bn from \$2.89bn. The per share earnings decline reflects the greater number of common shares now outstanding.

Lower tax bill boosts Lafarge Coppee result

By Our Paris Correspondent

LAFARGE-COPPEE, the French-based international cement group, recorded a substantial increase in earnings in the first half of 1984.

The group announced yesterday a net consolidated FFf 134m (\$14m) profit compared with a FFf 39m for the same period last year. The sharp rise was achieved on an 8.3 per cent increase in turnover to FFf 8.3bn, calculated on a comparable basis to 1983.

Group operating profits showed, however, only a 5 per cent increase in the half year to FFf 27m. The sharp improvement lower down the profit and loss account reflects higher investment income and lower tax.

The holding company Lafarge Coppee reported a turnaround in the half year to FFf 79m profit after losses in the first half of 1983 of FFf 8.9m. The recovery is due to a rise in portfolio earnings, the new tax regime applicable to the group and exchange rate profits.

Strong advance reported by Finnish groups

By Lance Keyworth in Helsinki

TWO FINNISH companies, Kymmene-Stromberg and W. Rosenlew, working in the forest products and engineering sectors, report a satisfactory improvement in sales and profitability up to the end of August 1984 compared with the first eight months of fiscal 1983.

Prospects for the whole year are good and the expansion is expected to continue in 1985. Kymmene-Stromberg's net sales rose by 13 per cent to Fmk 2.52bn (\$416.6m). The Kymmene forest products section accounted for Fmk 1.5bn.

The operating profit before taxes and provisions increased by 51 per cent to Fmk 412m, or 16.5 per cent of turnover. W. Rosenlew, also a private sector company, which makes paper packaging products, combine harvesters and robots, increased its sales by 19 per cent to Fmk 816m (\$134.5m) in the first eight months. The operating profit for the period was Fmk 111.2m, and the forecast for the full year is Fmk 213m.

W.R. Grace slows in quarter

By Our Financial Staff

W. R. GRACE, the U.S. chemicals and natural resources group, increased its net profits at a slower rate in the third quarter than in the two preceding three-month periods, but still expects full-year profits to be 20 to 30 per cent higher than 1983's \$160m.

Net earnings in the third quarter rose from \$28.1m or 58 cents a share to \$33.1m or 68 cents, taking nine-month earnings to \$136.5m or \$3.80 a share against \$101.7m or \$2.09. Revenues rose from \$4.47bn to \$4.9bn, with \$1.68bn (\$1.51bn) in the latest quarter.

Third-quarter operating earnings in special chemicals were only 2 per cent lower than a year ago.

Sonesson and Gambro shares halted

BY DAVID BROWN IN STOCKHOLM

TRADING in the shares of Sonesson and Gambro was halted on the Stockholm bourse yesterday pending a statement from the companies. This is expected to be made today.

Sonesson, an engineering and holding company, has an 8.4 per cent shareholding in Gambro (plus 23.6 per cent of the voting rights) which it acquired earlier this year. The purchase gave Sonesson the option to increase its stake to 39 per cent, or 30 per cent of votes.

Sonesson has been rapidly building up its presence in the pharmaceuticals and medical equipment markets. Last October, it bought Leo, a small drug company. In January, it bought Ferrosan, another pharmaceuticals group, and merged the two acquisitions.

Gambro has been expanding fast, but its first-half earnings fell due to heavy costs related to its attempt to increase capacity.

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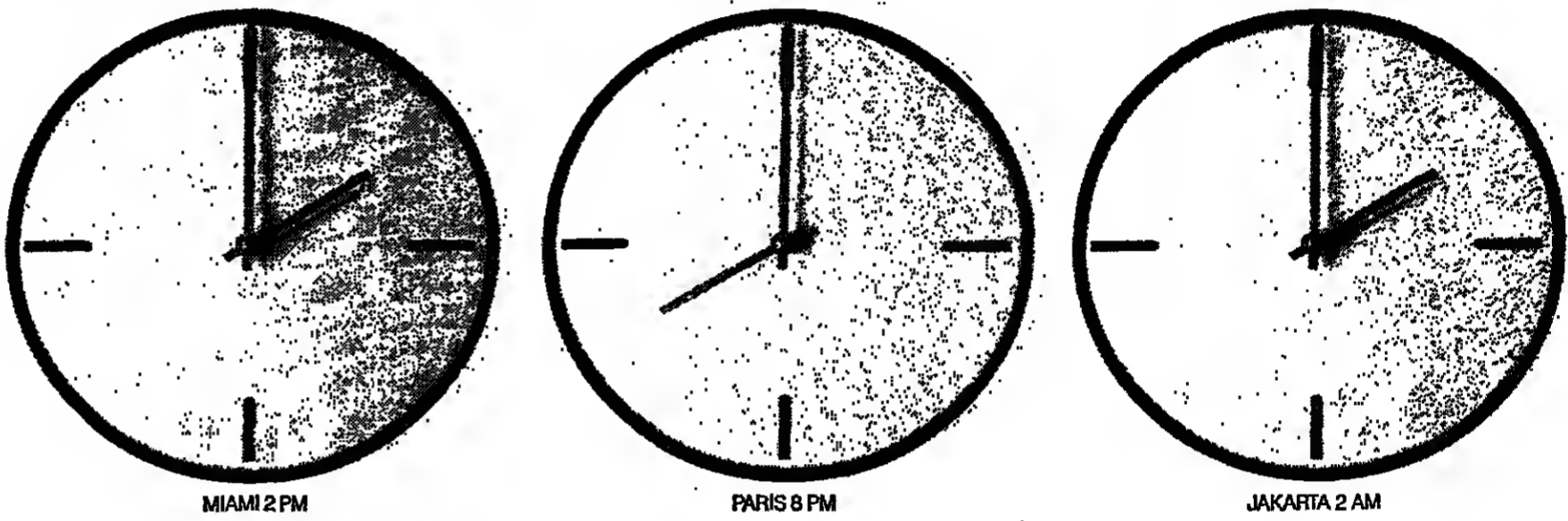
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We are pleased to announce the opening of an office in Sydney, Australia. AMP Centre Suite 1902 50 Bridge Street Sydney 2000 New South Wales. and the appointments of Dennis F. McDonald as Managing Director and Michael K.R. Wills as Executive Director. RUSSELL REYNOLDS ASSOCIATES, INC. Executive Recruiting Consultants 245 Park Avenue, New York, NY 10167. NEW YORK BOSTON CHICAGO CLEVELAND DALLAS HONG KONG HOUSTON LONDON LOS ANGELES MACAO MENDOTO PARK PARIS SAN FRANCISCO SINGAPORE STAMFORD SYDNEY WASHINGTON, DC



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WELCOME TO THE CITI CITIBANK/CITICORP GLOBAL ELECTRONIC BANKING

SwFr 80m warrant bond issue by Jacobs Suchard

BY JOHN WICKES IN ZURICH

JACOBS SUCHARD, the Swiss-based coffee and chocolate concern, is to raise SwFr 80m (\$1m) through an issue of bonds with warrants.

Proceeds will go to the financing of the company's dynamic expansion and the consolidation of long-term liabilities. It is believed, however, that the group is poised to make a major acquisition outside Switzerland.

In the first half of this year, group sales were up 7 per cent to over SwFr 2.27bn. The coffee business was within expectations, but sales of the chocolate operations, which include the Tobler and Suchard labels, rose 14 per cent and profits "even more encouragingly."

The company expects full results similar to 1983 when net profits totalled SwFr 110.2m on sales of SwFr 4.6bn. The warrant bonds have a maturity of eight years and a coupon of 3 1/2 per cent. Switzerland's four biggest banks have increased the rates for their medium-term, over-the-counter bonds. They are to offer rates of 5 per cent for three to four-year bonds and 5.25 per cent for five- to eight-year maturities. This marks increases of 0.25 or 0.5 per cent, on the levels in force since June. Bank Leu, adjusted its rates upwards last week. The moves are a further sign of the way Swiss money costs are hardening. Earlier this week the Government cancelled a SwFr 250m bond issue because of unsettled market conditions.

NEW ISSUE

These Notes having been sold, this announcement appears as a matter of record only.

SEPTEMBER 1984

U.S. \$400,000,000



The Kingdom of Belgium

Floating Rate Notes Due October 2004

Credit Suisse First Boston Limited

Kidder, Peabody International Limited Mitsubishi Finance International Limited

Société Générale de Banque S.A./Generale Bankmaatschappij N.V.

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INTL. COMPANIES and FINANCE

John Davies on why Herr Comperl travels the world for business Davy McKee sets sights on China

HERR KLAUS COMPERL has earned a reputation as a seasoned traveller. In the past two months he has flown to China, Turkey, East Germany, London, the U.S. and Mexico in pursuit of engineering contracts or for talks with business associates.

As chief executive of the West German operations of Davy McKee, the engineering and construction division of the Davy Corporation of the UK, Herr Comperl is one of those globe-trotting executives who are obliged to hunt world-wide for scarce and often hotly contested orders.

Like other big engineering contractors, Davy McKee as a group has found the past few years something of a trauma, with sales revenue falling and profits under pressure as recession and international debt problems curb the flow of orders.

The group has also made heavy losses on a contract to build a chemical plant in the Soviet Union, with provisions of £12m (£17m) having been made on this account over 1981-1983.

As part of its efforts to streamline its organisation, Davy McKee has been restructuring its West German operations, with Herr Comperl pulling the threads together from his Frankfurt office and mounting a co-ordinated assault on world markets.

Heavy losses on contract in Soviet Union

Davy McKee has closed its loss-making Cologne office and is transferring 60 of the 270 staff to Frankfurt — to join the 400 employees at Zimmer, the group's profitable synthetic fibre plant specialist — in a move running alongside the closing of the group's Belgian company itself managed from Germany.

The Cologne move broadens the Frankfurt concern's base by bringing in petrochemical plant and pollution control technology. In addition, Herr Comperl supervises the water and efficiency technology business of Davy Bmag, the group's subsidiary at nearby Butzbach, with about 120 employees.

For Davy McKee, West German operations have been a mixed blessing in recent years, with losses and headaches involving its Cologne business partly offset by the performance of Zimmer.

The major problem has been losses on a DM 200m (\$64.5m) contract channelled through its Cologne office to build a linear alpha olefins plant at Nishnekamsk in the Soviet Union — a project expected to be completed in the early 1980s. Difficulties arose partly because of a U.S. embargo on process know-how which was to have been supplied by a U.S. company, and partly because of Soviet insistence on redesign work.

Several other contracts handed by the Cologne office also incurred losses, while the office's alternative energy technology has met with poor response in current energy market conditions.

Despite profits at the Zimmer subsidiary, the group's UK accounts show that Davy McKee operations in West Germany registered a total loss of nearly £7m in the financial year to March 31, and a loss of £3.8m the year before.

Davy Corporation — the engineering and manufacturing group of which Davy McKee is a major part — has already been restructuring and cutting costs and manpower at a number of subsidiaries.

As a result, Davy Corporation's pre-tax profit recovered from £6.3m to £7.5m last financial year, even though sales revenue was 8.6 per cent lower at £640m. Its hope is that the restructuring in Germany will further improve earnings.

Herr Comperl believes that the West German moves will allow for greater co-ordination in seeking and carrying out engineering work worldwide.

At the same time, the West German unit — with about 600 employees and a volume of work exceeding DM 400m a year — is still small enough to react flexibly to shifts in demand for various types of technology, he argues.

In Davy's worldwide group, Zimmer has managed to keep a relatively independent profile, aided by long and carefully nurtured contacts with customers abroad, notably China.

Herr Comperl joined Zimmer in 1960, when the company was still run by its founder, Herr Hans Zimmer, an electrical engineer whose ambitious ven-



Herr Klaus Comperl: Believes that Davy's West German operations can obtain "consistent" business with China

tures extended to nuclear research and desalination of sea water.

After Herr Zimmer died in 1963, aged only 48, the company concentrated on construction of plant to make polymer and synthetic fibre. Vickers of the UK, which had earlier bought into the company, then took full control, but sold out to Davy in 1971.

The Chinese and the East Europeans were among the earliest of Zimmer's foreign clients, but this has not prevented it from including Taiwan among its customers for synthetic fibre plants in the developing world.

Herr Comperl, who aims to spend about 40 per cent of his time travelling ("In the last two months it was nearly 100 per cent"), sees prospects of further engineering business in China — not only for Zimmer's traditional business but also for the German operations' other technologies.

In Peking recently he reached agreement in principle on a DM 22m deal to construct a plant to make phthalic anhydride, a raw material for plastics, at a chemical complex at Harbin. "A rival German bidder had left the country, thinking that the Japanese had already won the contract," he says.

He also expresses willingness to set up a joint venture company with the Chinese to develop the country's know-how in construction of synthetic fibre plants. Zimmer has won contracts worth DM 500m from China in

the last 10 years, including a DM 380m deal to build a polyester polycondensation plant at Nanjing to make raw material to turn into synthetic fibre.

With China's shift of emphasis from huge projects to more decentralisation, the Chinese are now interested in setting up fibre plants in various locations to take raw material from this centre, he says.

"They are talking about 10-20 other plants around the country. The Chinese want to learn how to build some of these plants themselves."

Herr Comperl reports that the Chinese expect the first of eight production lines to come on stream at the Nanjing plant within the next few months, and two more production lines to start up in the middle of next year.

But because of the shift in China's approach to projects, it is not clear when the remaining production lines will start up. The equipment has already been delivered, and Zimmer has so far received 95 per cent payment.

Herr Comperl believes that Davy's West German operations can obtain "consistent" business with China, although he has been anxious to harness its efforts to obtain more contracts there. The group's recent business with China, including gold recovery projects handled through its San Francisco office — through it was edged out in bidding for a major coal-mining project.

In West Germany the group is putting great store on pollution control technology, and has indicated it is on the verge of finalising two major contracts involving power station emission control.

While the alternative energy technology was one of the disappointments of the Cologne office, the group sees better prospects in its petrochemical plant and pollution control technology, including the Welmanu Lord process for emission control.

With environmental protection a keen political issue in West Germany, Davy is among a number of industrial concerns hoping to benefit from this line of business.

All of these Securities have been offered outside the United States. This announcement appears as a matter of record only.

New Issue / October, 1984



U.S. \$75,000,000

McDonald's Corporation

Three Year Extendible Notes Due October 15, 1996

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Union Bank of Switzerland (Securities) Limited

U.S. \$100,000,000



Allied Irish Banks Limited

(Incorporated in the Republic of Ireland under the Companies Acts, 1963)

Floating Rate Notes 1992

Subordinated as to payment of principal and interest

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 17th October, 1984 to 17th April, 1985 the Notes will carry an Interest Rate of 11 3/4 per annum. The interest amount payable on the relevant Interest Payment Date which will be 17th April, 1985 is U.S. \$587.71 for each Note of U.S. \$10,000.

Credit Suisse First Boston Limited
Agent Bank



US \$30,000,000

Negotiable Floating Rate Dollar Certificates of Deposit due 1987 Tranche B

In accordance with the provisions of the Certificates, notice is hereby given that the rate of interest for the period from 17th October 1984 to 17th April 1985 has been established at 11 3/4 per cent per annum.

The interest payment date will be 17th April 1985. Payment which will amount to US \$14,692.71 per Certificate, will be made against the relative Certificate.

Agent Bank
Bank of America International Limited

This Advertisement appears as a matter of record only.

New Issue

17th October, 1984

U.S. \$100,000,000

The Coca-Cola Company

11 3/4 per cent. Notes due 1991

Issue Price 99 3/4 per cent.

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TECHNOLOGY

CONTROVERSY OVER VALUE OF SEEING ROBOTS

Foresight: a better bet than vision?

BY GEOFFREY CHARLISH

SHOULD machine vision be an early priority for automation designers, or is it too easy to be carried away by the glamour of the subject?

Mr J. H. Streeter, assistant director at GEC's Baddow (Essex) research laboratories believes some of us are "living in a dream world of our own invention." He thinks there will often be better and cheaper ways of sensing the shape, size and location of components on a production line without spending many thousands of pounds on complex vision systems.

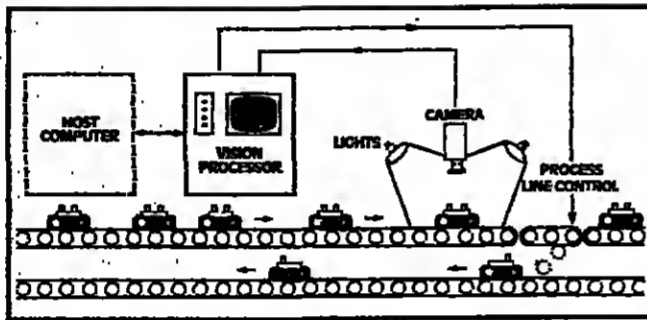
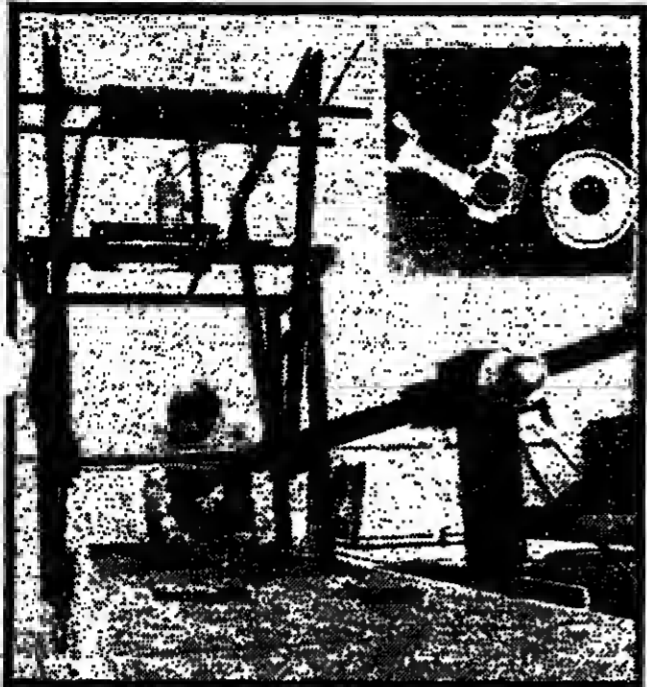
Speaking at a recent Robot Vision conference staged in London by IFS (Conferences), he made a plea for more active exploitation of known sensing methods and a priority order in which even simple vision systems came fourth.

His first three sensor choices were mechanical contact, proximity (capacitive, inductive, etc) and force measurement. He felt that as much development effort could go into these simpler electro-mechanical devices as had gone into vision systems, many more manufacturing automation problems would be solved more quickly and at lower cost.

Mr Streeter also made a strong case for simplicity in vision system design, to keep the cost down and allow more widespread use where applicable.

Instead of capturing images of the whole manufacturing station or component, Mr Streeter suggested that lower definition, cheaper cameras and electronic "systems" could be used to yield images, perhaps one after the other, only of areas of interest. A simple camera for example, carried on the end of a robot arm would need a resolution of only 32 x 32 pixels (fundamental picture elements) because it could get very close to the critical area.

Such cameras would look for faults based on computer guidance and previous knowledge of the part being inspected. An added advantage is that such a camera takes less time to scan the image, which can be important in high speed systems — and the processing electronics is less complex. An example of this approach came from Mr H. J. Ahlers of the Fraunhofer Institute in



Above, experimental vision rig at General Motors (what the robot sees, inset); below, a suggested layout by Visual Machines for the rejection of bad parts on a production line

Frankfurt, where a system was developed to inspect metal pressings for a vehicle maker. It uses an ASEA IRB 6/2 robot with a Fairchild solid-state camera mounted at the end of the arm. The camera always knows roughly where to look for tears in the metal or improperly formed holes, based on knowledge of the component (an engine crank case). Optical fibre bundles arranged concentrically round the camera lens produce good local light. If a particular fault

is found, the robot knows it must look at other locations where an associated problem may be present. As usual, many of the papers at Robot Vision '84 were from supplier or academic sources. In the past, where the work has been for manufacturers, the names have often not been forthcoming. But the situation is changing, and a presentation by Mr David Banks, executive vice president of Object Recognition Systems (ORS) of New Jersey, outlined

several real applications.

One is a system for a plastics company making credit cards for AT & T. It inspects the magnetic stripe at speeds of up to 450 a minute by projecting light into the thickness of the card, looking for any that escapes at right angles through imperfections in the magnetic oxide layer. The camera image is examined by the computer, which throws out any cards exhibiting bright spots. The system paid for itself in two months.

General Motors plants in Connecticut and Toledo, Ohio, have ORS equipment that makes sure the right number of balls go into ball races. The camera image is used by the computer to count them in a few milliseconds, rejecting races as necessary. Another system, for Eastman Kodak, makes sure the flash bulb assembly in disc cameras has been assembled the right way round. At Shape Engineering, video cassette assemblies are similarly examined to check for adequate tape loading and several mechanical features.

In the UK, Leicester Polytechnic has worked with machine tool maker Kearney and Trecker Marwin in order to detect tool breakages quickly on multi-head tool changers. It was realised that contact sensors would be peculiar to specific groups of tools and in any case would reduce speed. The vision system used gives complete flexibility, being able to look at any cutting tool and decide, via suitable programming, if it has broken.

Imperial College and R.D. Projects have worked together to provide The Ford Motor Company with a vision system that recognises engine component sets and provides immediate information to a gantry robot during component palletisation.

One of the problems of the food industry, where profit margins are not high, is that of maintaining high product quality while keeping prices competitive. Many products are circular, like biscuits, and a team at Royal Holloway College, London, supported by United Biscuits, Unilever and the Science and Engineering Research Council, is developing equipment able to inspect several such items per second.

How robots see the world about them

VISION systems work by capturing a "still" of the scene from a monochrome television camera. Normally, to provide moving pictures a TV camera generates 25 pictures (frames) a second, each consisting of 625 horizontal lines. Persistence of vision blends them into a smooth sequence for TV viewers.

In machine vision systems, one of these frames is captured, when needed, by special electronics which very quickly examines each line and turns each of the individual picture elements (pixels) into a length into a digital code. The code represents the gray level (anything from white to black) of the pixel.

These picture elements can then be kept in a semi-conductor memory store and can be computer-processed into simpler forms to aid recognition. For example, just the outline of objects can be retained. With sufficient computing power, all this can be carried out in a second or two, allowing the system to compare what it sees with previous knowledge of the shape of the object, and make a recognition decision.

Simpler systems can use a "line scan camera" in which a line of tiny light sensitive cells is moved over the object of interest, suitably illuminated. It "gathers" the image line by line, giving the same result as the TV camera, but more slowly.

Artificial vision can be used in various ways. For example, a camera placed upstream in a variety of approaching components to be recognised so that a robot at the workstation can be "told" to pick them up and place them in different locations.

Alternatively, if they contain a fault they can be rejected automatically, or if the fault has degrees of seriousness, the product can be rejected and sorted at the same time. Such machines can perform 24 hours a day, without tiring or making mistakes.

AUTOMATED TESTING

Tester for complex circuit boards

LLOYD DOYLE, a small Walton-on-Thames company, has developed a system that can optically inspect a printed circuit board (PCB) in a minute or two and detect significant manufacturing flaws.

The development is timely because the complexity of PCBs, even before any semi-conductor chips are soldered into them, has reached the point where human inspection of the thousands of fine tracks and pads is becoming very difficult. The "naked" printed board in its more advanced forms is at the stage reached by integrated circuit chips and completed boards in the mid-1970s — automation was the only answer to testing.

The value of finished printed boards is steadily increasing as they become more complex. The cost of rejected boards, generally only found at the shipping stage, can be several hundred pounds on the larger, multilayer types, rising well into four figures if the fault is found after the components have been added.

There are about 500 companies making boards in the UK alone, employing around 1,000 people on inspection according to Lloyd Doyle. At least 15 per cent of the labour content of a board lies in inspecting it. Many user companies also inspect boards at goods inwards.

But it is difficult to find the right people to do the job. It requires continuous, conscientious attention, but is boring. Even the best inspectors make mistakes. Fault rates vary enormously, from well under 1 per cent of boards in the best cases, to 50 per cent in the worst.

The new machine, called Trackscan, quite closely imitates the human inspector. It scans the board in 20 mm strips using a line scan camera and is able to apply the same judgments that the inspector would make, rejecting information that does not affect the functioning of the board.

System designer Dr Keith Doyle rejected the better known "comparison" and "feature recognition" techniques. In the former, a board known to be perfect is scanned and compared on a point-by-

point basis with the board under test. Not only must there be perfect alignment between the two optical systems needed for this, but in addition the technique shows up every difference, even if trivial. The false alarm rate is high, says Doyle.

In "feature recognition," the system is programmed to recognise specific features on a board like tracks and pads of certain sizes. This approach however, allows the system to pass a fault that looks like a standard feature. For example, it will not detect a bridge between two holes of the same width as the track itself.

Dr Doyle describes his system as "analytical," because in effect, it asks three questions. Is the track width adequate throughout the connection between two pads; is the spacing between conductors adequate; are the interconnections correct?

Image data obtained from the camera scan gives the position of the holes and tracks and this is electronically converted into a list of connections present on the board. As a first step, comparison with the list of proper connections shows any gross faults such as completely open or short circuits.

The data also goes through two other channels of processing which show if the track spacings and widths are within specification. One of these has the effect of thinning the images by prescribed amounts, while the other thickens them.

The beauty of the system is that it can distinguish between faults that might affect the board's functions and those that do not matter. For example, a nick in one of the identifying numerals will not produce a reject, because the numerals are not in the interconnection pattern. To market the system, a new company called Trackscan (Alton, Hants) has been set up jointly by Lloyd Doyle and Mr Martin Inoueb, a PCB industry marketing specialist. The equipment has a basic price of £37,000 and can deal with track widths and spacings of 0.008 inch. With fine track inspection ability and a number of optional extras, this can rise to £135,000. More information on 0420 63710.

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Memory Rodime to sell in Japan

RODIME, the Scottish Winchester disk designer and manufacturer, has broken into the Japanese market with a distribution agreement through which its products will be sold by the Matsushita Electric subsidiary Matsuba. Matsuba will be concentrating on the RO 350 disk drive, which offers up to 10 megabytes of formatted capacity in a unit the same size as micro-floppy disk drive.

Reprographics Canon and Kodak join hands

EASTMAN KODAK COMPANY and Canon of Tokyo have announced a co-operative business venture in the plain paper copier field. Canon is to supply Kodak with medium-volume copiers bearing the Kodak label and employing new photo-conductive materials. Technology R.D. expert knowledge from each firm will be embodied in the designs. Specific products will be announced later.

Memory Erasable disk

SONY HAS developed a large capacity erasable magnet optical memory disk for computer storage. It has sold one system to KDD, the company which runs Japan's international telephone network. Delivery is scheduled for the end of the month.

"Clydebank Enterprise Zone — a bright spot and important lever in Glasgow's industrial recovery" ... Financial Times

Development Policy

- A four year Scottish Development Agency co-ordinated programme of physical and economic development has already created a successful business environment.
- The Clydebank Task Force is now inviting the private sector to share in the substantial business and development opportunities still available.
- The Task Force has identified and evaluated specific projects in the industrial and commercial sectors for which it is seeking joint venture partners.
- Including Enterprise Zone status, Clydebank offers perhaps the most comprehensive and flexible public sector financial support package in Britain.

A Tax Efficient Investment Location

Clydebank Enterprise Zone is unaffected by the changes announced in the 1984 Budget. Thus, 100% first year relief against Corporation Tax still applies to all commercial and industrial building work. Together with continuing rates relief, this underlines even further the value of investing in Clydebank.

Results for the Period to May 1984

New industrial/commercial floorspace completed	920,000sq. ft.
Industrial/commercial floorspace taken up	950,000sq. ft.
Companies established	229
New job places created	2,577
Public Sector Capital Investment to date	£19.5m
Committed private investment in property alone	£17.85m

Copies of the Clydebank Development Prospectus may be obtained from Clydebank Task Force, Clyde House, 170 Kilbowie Road, Clydebank G81 2UA. Tel. 041-952 0084.

Business Opportunities in Clydebank

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The Industrial Bank of Japan, Limited

July 1984

UK COMPANY NEWS

H & C 84% surge to £39m halfway

AN 84 per cent increase in first half taxable profits from £21.3m to £39.2m has been achieved by Harrison & Crossfield, the plantation, commodity and industrial combine.

All divisions, with the exception of finance, returned higher contributions on total group turnover ahead by £17m to £77.7m. The largest profit increases were recorded by Harrison's plantation and chemical and industrial activities, and the results also benefited from a much higher share of profits from related companies.

Shareholders are getting an effective 0.5p lift to 4.5p in their interim dividend. This payment is covered nearly four times by stated earnings per share up from last year's one-for-one scrip issues adjusted 8.5p to 17.5p.

Over the first six months of 1984 Harrison's plantation division more than trebled its contribution from £5.2m to £20.9m, accounting for nearly half of group trading profits of £45.4m (£28.2m).

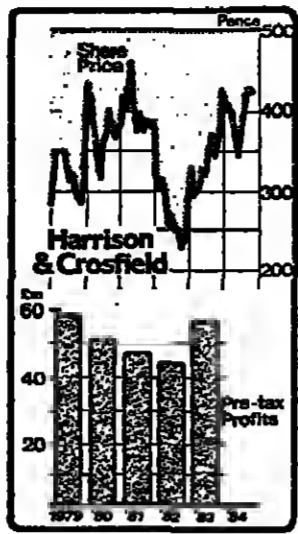
Mr T. Prentice, group chairman, says that this operation benefited from continued good crops and favourable prices. A subsequent weakening of prices, he points out, was offset by high yields.

Chemical and industrial activities notched up a £4.4m rise to £10.1m and Mr Prentice says the outlook is promising. The UK and European distribution units maintained their previously reported better profits and, although margins are still a problem in North America, sales are higher.

Harrison's share of related company results, amounting to £14.3m (£5.9m), pre-interest and tax, have been included in the divisional profit figures.

Marginal better profits of £6.2m, against £5m, were attained by timber and building supplies, but the chairman warns that the remainder of the year may reflect the reduction in housing starts and the generally lower levels of activity in the building industry.

Elsewhere, the commodity sections of the general trading division continued to perform well but recessionary conditions still affected the Eastern Hemisphere—outlook is similar. Profits returned from general trading were £1.6m higher at £4.2m.



Group taxable results included a lower contribution of £3.7m, against £4.6m, from finance activities, and £300,000 (£200,000) from property disposals, and were struck after a £2.2m increase to £6.2m in interest payable.

Hunting Petroleum halved at £1.4m

Tax for the period under review absorbed £17.6m (£10.4m).

comment

Harrison's share had a good run in the last few months, so it was not altogether surprising to see a bout of profit-making yesterday despite the good interim results. The better-than-expected profits were due mainly to a fine performance from the plantation division—the price of palm oil was high during the period and the company has been investing in higher yielding plants and trees. Analysts see little growth ahead from the already high profits in timber and plantations, but the chemical division looks promising. Demand for a new generation of jet aircrafts upgrade their fleets and this bodes well for Harrison's chronic oxide production. A full-year pre-tax profit of around £80m seems likely, together with a tax rate of 43 per cent. On that basis, the prospective p/e is around 11. Yesterday the shares fell 7p to 42.5p, giving a yield (assuming a similar increase in the final dividend) of just over 7 per cent.

Hunting Petroleum halved at £1.4m

THE "SIGNIFICANT" reduction in pre-tax profits at Hunting Petroleum Services, from £2.81m to £1.43m, for the six months to end-June 1984, was due primarily to the group's oilfield subsidiary, where difficult trading conditions affected the performance of the engineering and workshop activities.

The directors say that directional drilling results were disappointing, and these activities were disposed of on August 13.

As a result of the difficult first six months, the directors say that group pre-tax profits for the full year, before the estimated profit of £7.2m on the sale of the directional drilling interests, will be below last year's, although the second half of 1984 is expected to show a similar level of profit to the £3.16m made in the second half of 1983.

The interim dividend is being maintained at 2.25p. Basic earnings per 25p share were shown down from 6.55p net to 2.25p net, and fully diluted, from 6.45p to 2.59p net.

Last year a total of 6p was paid from profits of £5.97m.

Group turnover rose from £12.56m to £15.68m—main activities lie in crude oil transportation and terminal operations in Canada, and oil broking, storage, and products distribution in the UK and other European countries.

Trading profits fell by £30,000 to £1.54m. The £114,000 net interest compares with a £234,000 profit.

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Paterson Zochonis gains from Nigerian connection

WITH A sharply higher contribution from related companies, especially in Nigeria, Paterson Zochonis has finished the year to May 31 1984 with taxable profits above the £30m mark for the first time.

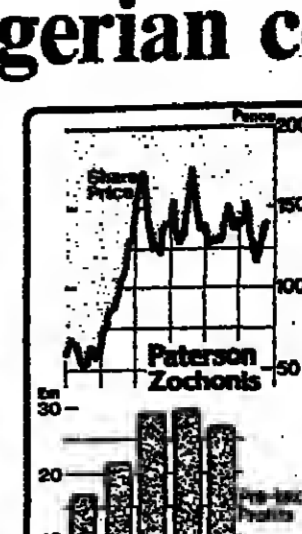
The result for the period was £30.95m compared with £26.87m, with the rise more than accounted for by a £4.79m increase in the share of the profits of related companies at £11.06m against £6.28m. The group trades as an international merchant and manufacturer, with extensive interests in West Africa, making soaps and toiletries, reintergrators and sewing threads.

Shareholders are to receive a boost in the dividend with the proposed final raised from 3.45p to 3.7p net per 10p share, following the 1.35p interim (1.35p). Earnings are shown up from 28.65p to 29.88p per share.

Turnover fell from £278.89m to £262.64m, but generated operating profits slightly higher at £34.72m against £33.36m. Investment income slipped from £5.45m to £3.15m, and interest charges were up from £9.21m to £10.34m.

Commenting on a year of difficult and, at times, uncertain trading conditions, Mr J. B. Zochonis, the chairman, says that three factors benefited the group in Nigeria.

Firstly a four-year £100m capital expenditure programme to increase local manufacturing capacity reached completion; secondly, the Nigerian Government, having classified soaps and detergents as essential commodities, provided the requisite



Import licences; thirdly, the group continued its policy of financing adequate levels of its raw material and other import requirements.

The UK company's results, however, following last year's restructuring, continued to be depressed by the slow recovery of manufacturing performance and by higher raw material prices.

The performance of other group operations overseas was generally satisfactory apart from Greece, where the results were adversely affected by what the chairman considers to be increasingly harsh price controls.

As has been widely reported, Nigeria has for some time been in talks with national and international financial agencies. The outcome of these discussions, their impact on the group and the possibility of extent of related currency realignments cannot be predicted at this time but "clearly could have a bearing on the results of the current year," says the chairman. However, the year has started satisfactorily and, in respect of the above reservations, group profits in the first half will be comparable with last year's £14.33m pre-tax result.

The group paid more in tax for the full year at £14.01m against £11.18m and to minorities at £2m against £870,000. After a net extraordinary credit of £719,000 (net)—release of deferred tax provisions minus property revaluation losses—profits came out at £15.66m (£14.53m) at the attributable earnings of ordinary dividend accounted for £3.44m (£2.25m) with the group retaining £12.45m (£11.8m).

See Lex

Expansion costs peg Air Call rise to 2.4%

HEAVY MARKETING expenses associated with the de-regulation of the telecommunications industry and losses incurred by Teledata pegged a first half profit increase at Air Call to a modest 2.4 per cent.

Air Call, a USM stock engaged in paging and radio communications, experienced a 70 per cent rise in turnover from £3.7m to £14.6m over the first six months of 1984 but only a £15,000 increase to £653,000 in taxable profits.

Mr J. O. Stanley, group chairman, says the performance demonstrates far more than he previously realised the merit of Air Call's policy to develop a strong international network and to reduce dependence on "monopolistic conditions" in the home market.

He pointed out that the coming privatisation of British Telecom has created a "New strong competitor" and has led to increased marketing to maintain Air Call's position.

Also, Mr Stanley says that of the company's two major acquisitions in 1983, it is disappointing that Teledata continued to trade at a substantial loss.

Teledata is expected to return to profits and the chairman adds that the inclusion for the first time of results of Air Call's U.S. acquisition, CCI, has exceeded expectations.

Air Call, which has close company status, is holding the interim dividend at 1.85p on the capital enlarged by last year's two-for-five rights issue.

Earnings per share rose from 7.99p to 9.07p after tax of £159,000 (£327,000)—minorities took £3,000 last time and there were extraordinary debits this time of £91,000.

comment

The progressive deregulation of the UK telecommunications industry has both opened up the market and brought with it the hefty marketing commitment that comes hand-in-hand with having to compete with the likes of BT, Securicor and Racal. Air Call gives no figures, but these costs, including those of launching cellular radio, are probably running excess of £0.75m this year. On top of this Teledata is still in loss and there is the on-going write-offs related to CCI, of which explain the far interim figures and the cautious forecast. In the short term there is no prospect of any let-up in the marketing campaign as Air Call clearly wants to be well placed to take advantage of the free-for-all. But Teledata's rationalisation is pulling this company round, with the prospect that losses of around £0.25m this year will be reversed next year. Overall, a small increase from £1.3m to £1.4m looks on the cards for the year. Tax losses at CCI will reduce the group tax charge to about 25 per cent, which puts the 30p shares, down 47p, on a prospective multiple of just under 30. The market is clearly taking the longer-term view.

Breakmate heads for USM through 30% placing

BY ALISON HOGAN

Breakmate, a drink dispensing and catering consultancy group, is coming to the USM later this week by way of placing of just over 1m shares, equal to around 30 per cent of the equity, at £1 each.

Breakmate was established in 1967 by managing director, Barry Cager to supply offices with drink dispensing machines, ingredients and servicing. The management discovered that the installation of their machines stopped short of the directors' floors where "real" coffee was served separately and so started to explore ways of improving the quality of drinks in the machines.

A formula of freshly brewed coffee and tea proved successful and today the company employs some 250 staff in London and in four regional offices at Rugby, Bristol, Colchester and Manchester.

Turnover has grown from £4.67m in 1981 to £5.9m in 1983 while over the same period pre-tax profits have risen from £164,000 to £315,000. The company expects to make pre-tax profits of around £480,000 in the current year on a £3.75m turnover giving a prospective actual tax p/e of around 12.5 and a yield of 4 per cent.

The placing which is being handled by Capel Core Myers begins tomorrow with dealings expected to start a week later.

Frank Gates warns of profit fall

Frank G. Gates, main Ford dealer, does not expect to match the 1983 profit of £119m in the current year.

The directors state that most car manufacturers are entering into incentives, price reductions and bonuses, a forecast impossible but "it does not appear that the pre-tax profit of 1983 will be maintained in 1984.

Meanwhile, the group reports first half 1984 profits lower at £806,000 compared with £662,000, before tax of £280,000 (£298,000). In June the directors warned that the year had not started well with profits in the first four months lower than those in the same period of last year.

Dividends are paid annually—the last being 3p in respect of 1983.

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Listed MidCon looks to Europe

TRADING IN shares of MidCon, the big Midwestern U.S. energy company, began yesterday on the Stock Exchange.

The listing is intended as a prelude to a likely Euro market financing next spring, and to boost the number of European shareholders who at present hold around 3 per cent of the shares. The listing comes four months after MidCon's European

New look Wardle returns to SE via offer for sale

Bernard Wardle will complete a full circle early next month when it returns to the Stock Market with a new name, Wardle Stores, and a new shape.

Investors who sold out at 33p per share in 1983 would need to pay no more money to buy their way back into the revamped company. When Hill Samuel brings it to the market for a full listing, via an offer for sale of 30 per cent of its equity it will be capitalised at around £20m, with a yield of about 5 per cent.

Previous shareholders in Bernard Wardle, the troubled vinyl textile company, were so eager to accept the 33p share offer made in 1980 by Mr Graham Ferguson-Lacey, through his private investment company, that they ignored his advice to sell only half their holding and be ended up with control of the company for around £2m.

Mr Eric Taylor, who was brought in as managing director in 1980, has been largely responsible for the changed fortunes of the company. He instigated a major reorganisation and streamlining of the company and, in 1983, the firm management buy-out from Lacey's NC Co.

This was achieved with institutional backing which helped bring down the company's excessive borrowings and provided much needed additional working capital.

The buy-out deal involved directors putting up £83,000, of which Mr Taylor contributed £70,000, with the institutions, Citicorp, Fountal Development, Capital Fund, The ER Pension Fund and Electra Investment Trust providing the rest.

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Country Bank	Dresdner Bank	Goldman Sachs International Corp.
Kidder, Peabody International	Samuel Montagu & Co.	Lloyds Bank International
Merrill Lynch Capital Markets	Salomon Brothers International	Morgan Grenfell & Co.
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The Notes comprising the above issue have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary Global Note. Interest is payable semi-annually in arrears in May and November, commencing in May, 1985.

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17th October, 1984

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corre- div.	Total of last year	Total year
Air Call	int 1.85	Nov 15	1.85	—	5.5
Brewmaker	int 0.3	Dec 5	—	—	0.4
Cradley Print	1.19	Jan 7	1.05	1.19	10.5
Feb Int	int 0.89	Dec 7	0.81	—	2.64
Harrison & Crossfield	int 4.5	Dec 7	4.4	—	17*
Hunting Petroleum	int 2.25	Nov 26	2.25	—	6
Jenners, Princes St	int 8	Nov 30	6.5	—	10.25
Walter Lawrence	int 3	Jan 2	3	—	4.75
Paterson Zochonis	int 3.7	Jan 2	3.42	—	8
Feschey	4.5	Jan 4	3.75	—	8

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. † To reduce disparity.

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Highlights of the year ended 29th June 1984

Profits
Continuation of improving trend. Profits before tax of £2,762,100 (1983 - £412,900). Leather turnover up 10% in value with no increase in volume. Earnings per share 21.0p (1983 - 3.6p).

Dividend
The Board recommend that a final dividend of 4.0p be paid.

Gearing
The Group balance sheet greatly improved through profits and share issue. Net assets of £12 million and gearing down to 36%.

Turkey
Turkish Government have approved formation of wholly owned subsidiary with share capital of £1 million and a small highly qualified management team has been engaged. Ready to trade in lamb meat and skins, exporting the meat largely to Middle Eastern countries.

"The current financial year has opened well helped by the favourable exchange rates."
Ian Morrow, Chairman

STRONG & FISHER (HOLDINGS) p.Lc., Rushden, Northamptonshire NN10 9XQ

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BIDS AND DEALS

Chubb appeals for Panel intervention in Racal bid

BY CHARLES BATCHELOR

Chubb, the security group which is fighting off a £17m takeover bid from Racal Electronics, the defence and communications group, yesterday appealed to the Takeover Panel to intervene in the bid battle.

The appeal, which is being made by County Bank, Chubb's advisers, followed comments yesterday by Sir Ernest Harrison, chairman of Racal, which were taken to indicate that institutions had begun to accept the Racal offer.

Sir Ernest said: "I am very happy with the way things are going. All the indications we are getting suggest the City believes our offer is a good one and makes commercial sense."

Under the takeover code no statements may be made by the bidder or its advisers above the level of acceptance unless an immediate public announcement is made.

Mr Bill Randall, Chubb's chairman, commented: "It is highly questionable to put out a statement like that at this stage. It is not our impression that the institutions are starting to accept. We have talked to them over the past few days."

The attitude of Anglo-Scottish's largest individual shareholder, however, remained unclear. Cambrian and General Securities (C and G), a British investment trust which acts as an investment arm for Wall Street arbitrator Mr Ivan Boesky, recently acquired a 14.6 per cent stake from Aspinall Holdings.

and not give a figure," County Bank said. "We suspect they are trying to create a band wagon effect. Presumably they are only doing that because they are quite concerned."

Racal's increased offer, now worth about £17m according to its own valuation of the loan stock element, expires tomorrow. It is offering 25 worth of loan stock plus three of its own shares for every five Chubb shares. Racal held 4.99 per cent of Chubb before it announced its bid.

Gartmore in U.S. and Pacific expansion

By Ray Maughan

Gartmore Investment Management, which runs funds worth over £2.2bn, has acquired a majority holding in Kingsley, Jeonison, McNulty & Morse, a San Francisco firm which has some \$90m under management.

At the same time, Gartmore, a 51 per cent subsidiary of Exco International, is opening a representative office in Tokyo to supplement the research activities in the Pacific area of its Hong Kong operations.

Mr Adrian Collins, managing director of Gartmore Investments, said yesterday that there would be some cross-fertilisation of investment ideas between KJMM and Gartmore's fund managers.

The sale of investments necessitated by a utilisation would be at prices "far below their true worth," CS says.

Mr David Widias, chairman of Groun Lotus, said yesterday the group would like other companies in the motor industry to buy the 20 per cent holding to be sold by the family of its late founder, Mr Colin Chapman.

research and development departments in certain aspects," he said at the Motor Show. Mr Wickins' British Car Auctions has 25 per cent of Lotus, Toyota 17 per cent and Midstep, the BCA/Hawley investment arm, 14 per cent.

BET buys UBM scaffolding arm

BY CHARLES BATCHELOR

British Electric Traction (BET), construction, transport and cleaning group, is to acquire the scaffolding arm of UBM Group, builders' merchants, for £5.5m.

UBM Scaffolding will bring £10m worth of turnover to the group already carried out by BET Access, scaffolding and access subsidiary of BET Plant Services.

A trading profit of £1.1m is forecast for UBM Scaffolding in the year ending February 1985. It has 25 depots in the UK, most of them in southern England and nearly 600 employees.

The leading UK company in the plant hire and scaffolding business is SGB Group with turnover in its last full year ended September 1983 of £110m—much of it overseas.

UBM has sold its scaffolding business only days before the October 18 deadline when Narver, industrial holding group, is permitted to raise its bid for UBM. Narver still bids 38 per cent of UBM's shares after its £78m offer of last October failed.

UBM does not believe the sale of its scaffolding interests, which formed only a small part of a group with 1983-84 turnover of £221m, will have any impact on the likelihood of Narver retaining its bid.

Mr Bill Otley, finance director of UBM, said: "We have been reviewing what part we were going to play as the sixth largest company in a scaffolding industry which is becoming concentrated into large groups."

Gordon & Gotch agrees terms for £6m takeover

BY CHARLES BATCHELOR

The Herald and Weekly Times (HWT), an Australian media group based in Melbourne, Victoria, yesterday unveiled a £6m offer document, disclosed that it agreed cash for Gordon & Gotch Holdings, a US group engaged in the export of newspapers, magazines and books.

HWT, which is making its offer through a newly-formed company called Falconworld, has already obtained undertakings from the holders of 55.17 per cent of the Gotch equity to accept the offer.

The Australian group publishes newspapers, books and magazines and has television, broadcasting and investment interests in Australia.

tax profits for the year ended March 31, 1984 to £82,000 from £1.2m the year before. The offer document, disclosed that it agreed cash for Gordon & Gotch Holdings, a US group engaged in the export of newspapers, magazines and books.

holders of Gotch would only through a newly-formed company called Falconworld, has already obtained undertakings from the holders of 55.17 per cent of the Gotch equity to accept the offer.

The three major shareholders—owning 55.17 per cent—which have accepted the HWT offer are CNA Gallo, Gordon and Gotch Ltd and McPherson Finance, an Australian group.

Educational

EXECUTIVE SPANISH HIGH-TECHNOLOGY... Years of experience teaching Spanish with modern methods...

Granville & Co. Limited... Over-the-Counter Market... Table listing various stocks and their prices.

Anglo-Scot proposals blocked

BY ALEXANDER NICOLL

DISCONTENT AMONG institutional shareholders of Anglo-Scottish Investment Trust broke into an open row yesterday when a group led by London and Manchester (L and M), the insurance company, said they would block reconstruction proposals put forward by the trust's management.

CS Investments, the managers, are seeking to reduce the discount of the trust's market value to 95 cents on the dollar.

L & M and other shareholders, with a combined stake of over 25 per cent, will vote against the CS proposals, thereby blocking them.

L & M, which held 5.5 per cent, said yesterday it believed the proposals "do not represent the maximum value which could be obtained for shareholders."

unitisation of the trust, which has net assets of £83m. Alternative plans will be put forward by the end of November.

The attitude of Anglo-Scottish's largest individual shareholder, however, remained unclear. Cambrian and General Securities (C and G), a British investment trust which acts as an investment arm for Wall Street arbitrator Mr Ivan Boesky, recently acquired a 14.6 per cent stake from Aspinall Holdings.

C & G's London broker said yesterday that it was "reviewing its alternatives." Although Mr Ian Henderson, L & M's investment manager, said yesterday that C & G was not among the group expressing its intention to block the CS proposals.

Mr Eric Crawford, a former Gartmore director who co-founded CS in 1983—soon afterwards, Anglo-Scottish switched its management to Gartmore's CS—said yesterday: "We

await any proposals that London and Manchester have put forward. We want to do the best for our shareholders."

CS argues that complete unitisation of Anglo-Scottish—turning it into a unit trust—is not practicable because of its unusually high proportion of unquoted investments. Such investments may not form more than 5 per cent of a unit trust's portfolio.

The sale of investments necessitated by a utilisation would be at prices "far below their true worth," CS says.

research and development departments in certain aspects," he said at the Motor Show. Mr Wickins' British Car Auctions has 25 per cent of Lotus, Toyota 17 per cent and Midstep, the BCA/Hawley investment arm, 14 per cent.

Johannesburg Investments Consolidated Group

Gold mining companies' reports for the quarter ended 30th September 1984 with comparative figures for the previous quarter

Randfontein Estates... DEVELOPMENT... SAMPLING RESULTS... QUARTER ENDED 30.9.84... Table with multiple columns for quarterly and nine-month data.

DOORKNOP SECTION... GOLD PRODUCTION... METALLURGICAL PLANTS... CAPITAL EXPENDITURE... LONG-TERM LOANS... FORWARD CONTRACTS... Table with multiple columns for quarterly and nine-month data.

Western Areas... DEVELOPMENT... SAMPLING RESULTS... VENTERSDOORP CONTACT REEF, ELSBURG MASSIVE REEFS AND ELSBURG INDIVIDUAL REEFS... GOLD PRODUCTION... Table with multiple columns for quarterly and nine-month data.

Elsburg... Stockholders are advised to study the operating results published by Western Areas Gold Mining Company Limited. Includes financial summary and contact information.

Mezzanine Capital Corporation Limited... Notice to holders of Bearer Depositary Receipts... Includes details of a share buy-back program.

Malayan Banking Berhad... US \$60,000,000... Negotiable Floating Rate Dollar Certificates of Deposit due 1987 Tranche B.

SECTION III - INTERNATIONAL MARKETS FINANCIAL TIMES

Wednesday October 17 1984

NEW YORK STOCK EXCHANGE 38-38 AMERICAN STOCK EXCHANGE 37-38 U.S. OVER-THE-COUNTER 38, 46 WORLD STOCK MARKETS 38 LONDON STOCK EXCHANGE 38-41 UNIT TRUSTS 42-43 COMMODITIES 44 CURRENCIES 45 INTERNATIONAL CAPITAL MARKETS 46

WALL STREET

Restraint on enthusiasm re-emerges

A FIRM tone remained on Wall Street markets yesterday as the other major banks followed the lead from Bankers Trust and trimmed their prime lending rates...

provide a significant test of market strength. The sheer weight of money to be drawn out may force bond market yields higher, offsetting the easing in rates at the short end of the scale...

IBM fell 1 1/4% to \$120 1/4. These higher-priced blue chips are the most likely to be affected by the heavy demands on institutional cash by the Treasury...

EUROPE

Frankfurt takes turn at peaks

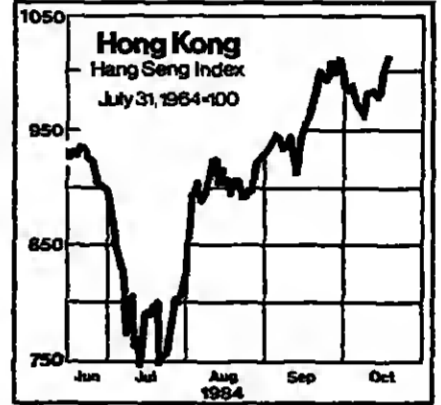
IT WAS the turn yesterday of West German stocks to surmount the peak levels attained as far back as February...

crease operation, dipped L25 to L1,887, a move attributed to speculative activity. Bonds finished mixed. Corporate news dominated Stockholm...

LONDON

Despondent tone follows pit impasse

DESPENDENCY spread in London yesterday in the wake of a further deterioration in sterling and the collapse of talks aimed at settling the protracted British miners' strike...



FOREIGN institutions reinforced local buying interest in Hong Kong to propel the Hang Seng index back through the 1,000-point barrier with a 20.92 rise to 1,020.01.

KEY MARKET MONITORS

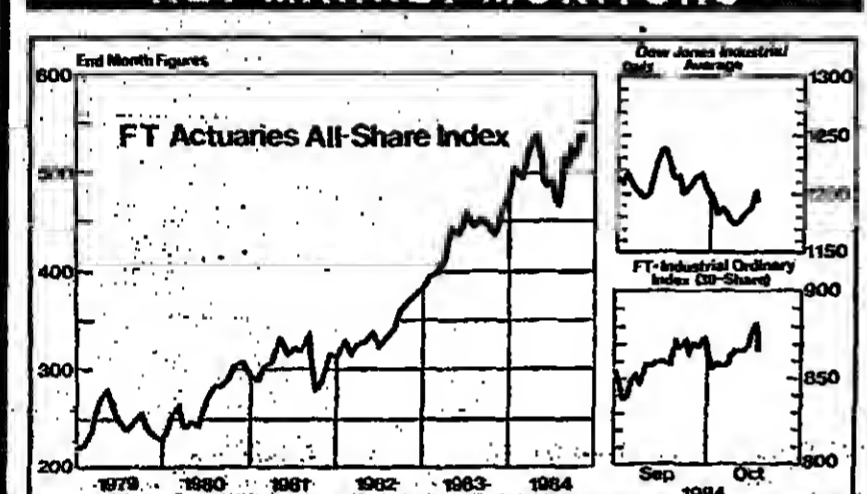


Table with multiple columns: STOCK MARKET INDICES (New York, London, Tokyo, etc.), CURRENCIES (USD, GBP, etc.), INTEREST RATES, U.S. BONDS, FINANCIAL FUTURES, and COMMODITIES.

TOKYO

Precision issues lead a retreat

PROFIT-TAKING set in on the Tokyo market yesterday as blue-chip precision instrument shares, which had gained the previous day, dropped and investor interest retreated to incentive-backed issues...

The failure of Amsterdam demand to extend much into the session caused widespread mark-downs, pulling the ANP-CBS general index a point down from its high to stand at 178.5.

Reflecting the previous day's sharp gain and the rise on Wall Street, share prices opened firm. But the yen's drop against the dollar rapidly cooled enthusiasm...

AUSTRALIA

A LATE ROUND of profit-taking failed to erase early price rises in Sydney, leaving a broad range of leading mining and industrial issues higher.

SINGAPORE

SELECTED industrial sectors were sought during an otherwise dull Singapore session. Although rises outnumbered falls, price movements were marginal on reduced turnover.

ONLY THE PUREST GOLD HAS IMMORTAL VALUE THROUGHOUT THE WORLD



Over 3000 years ago, the ancient Egyptians immortalized their King Tutankhamun in the purest of gold. Even then they knew that pure gold would have everlasting value...



Canada's Maple Leaf. There is no substitute for purity.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Closing prices, October 16

12 Month	Low	High	Stock	Dr. Yld. F. St. 100s High	12 Month	Low	High	Stock	Dr. Yld. F. St. 100s High
12	15	15	AMC	10.25	12	15	15	AMC	10.25
13	15	15	AMCA	10.25	12	15	15	AMCA	10.25
14	15	15	AMF	10.25	12	15	15	AMF	10.25
15	15	15	AMH	10.25	12	15	15	AMH	10.25
16	15	15	AMR	10.25	12	15	15	AMR	10.25
17	15	15	AMT	10.25	12	15	15	AMT	10.25
18	15	15	AMU	10.25	12	15	15	AMU	10.25
19	15	15	AMV	10.25	12	15	15	AMV	10.25
20	15	15	AMW	10.25	12	15	15	AMW	10.25
21	15	15	AMX	10.25	12	15	15	AMX	10.25
22	15	15	AMZ	10.25	12	15	15	AMZ	10.25
23	15	15	ANA	10.25	12	15	15	ANA	10.25
24	15	15	ANB	10.25	12	15	15	ANB	10.25
25	15	15	ANC	10.25	12	15	15	ANC	10.25
26	15	15	AND	10.25	12	15	15	AND	10.25
27	15	15	ANE	10.25	12	15	15	ANE	10.25
28	15	15	ANF	10.25	12	15	15	ANF	10.25
29	15	15	ANG	10.25	12	15	15	ANG	10.25
30	15	15	ANH	10.25	12	15	15	ANH	10.25
31	15	15	ANI	10.25	12	15	15	ANI	10.25
32	15	15	ANJ	10.25	12	15	15	ANJ	10.25
33	15	15	ANK	10.25	12	15	15	ANK	10.25
34	15	15	ANL	10.25	12	15	15	ANL	10.25
35	15	15	ANM	10.25	12	15	15	ANM	10.25
36	15	15	ANP	10.25	12	15	15	ANP	10.25
37	15	15	ANQ	10.25	12	15	15	ANQ	10.25
38	15	15	ANR	10.25	12	15	15	ANR	10.25
39	15	15	ANS	10.25	12	15	15	ANS	10.25
40	15	15	ANT	10.25	12	15	15	ANT	10.25
41	15	15	ANU	10.25	12	15	15	ANU	10.25
42	15	15	ANV	10.25	12	15	15	ANV	10.25
43	15	15	ANW	10.25	12	15	15	ANW	10.25
44	15	15	ANX	10.25	12	15	15	ANX	10.25
45	15	15	ANY	10.25	12	15	15	ANY	10.25
46	15	15	ANZ	10.25	12	15	15	ANZ	10.25
47	15	15	AOA	10.25	12	15	15	AOA	10.25
48	15	15	AOB	10.25	12	15	15	AOB	10.25
49	15	15	AOC	10.25	12	15	15	AOC	10.25
50	15	15	AOD	10.25	12	15	15	AOD	10.25
51	15	15	AOE	10.25	12	15	15	AOE	10.25
52	15	15	AOF	10.25	12	15	15	AOF	10.25
53	15	15	AOG	10.25	12	15	15	AOG	10.25
54	15	15	AOH	10.25	12	15	15	AOH	10.25
55	15	15	AOI	10.25	12	15	15	AOI	10.25
56	15	15	AOK	10.25	12	15	15	AOK	10.25
57	15	15	AOL	10.25	12	15	15	AOL	10.25
58	15	15	AOM	10.25	12	15	15	AOM	10.25
59	15	15	AON	10.25	12	15	15	AON	10.25
60	15	15	AOP	10.25	12	15	15	AOP	10.25
61	15	15	AOS	10.25	12	15	15	AOS	10.25
62	15	15	AOT	10.25	12	15	15	AOT	10.25
63	15	15	AOU	10.25	12	15	15	AOU	10.25
64	15	15	AOV	10.25	12	15	15	AOV	10.25
65	15	15	AOW	10.25	12	15	15	AOW	10.25
66	15	15	AOX	10.25	12	15	15	AOX	10.25
67	15	15	AOY	10.25	12	15	15	AOY	10.25
68	15	15	AOZ	10.25	12	15	15	AOZ	10.25
69	15	15	APA	10.25	12	15	15	APA	10.25
70	15	15	APB	10.25	12	15	15	APB	10.25
71	15	15	APC	10.25	12	15	15	APC	10.25
72	15	15	APD	10.25	12	15	15	APD	10.25
73	15	15	APE	10.25	12	15	15	APE	10.25
74	15	15	APF	10.25	12	15	15	APF	10.25
75	15	15	APG	10.25	12	15	15	APG	10.25
76	15	15	APH	10.25	12	15	15	APH	10.25
77	15	15	API	10.25	12	15	15	API	10.25
78	15	15	APJ	10.25	12	15	15	APJ	10.25
79	15	15	APK	10.25	12	15	15	APK	10.25
80	15	15	APL	10.25	12	15	15	APL	10.25
81	15	15	APM	10.25	12	15	15	APM	10.25
82	15	15	APN	10.25	12	15	15	APN	10.25
83	15	15	APO	10.25	12	15	15	APO	10.25
84	15	15	APP	10.25	12	15	15	APP	10.25
85	15	15	APS	10.25	12	15	15	APS	10.25
86	15	15	APT	10.25	12	15	15	APT	10.25
87	15	15	APU	10.25	12	15	15	APU	10.25
88	15	15	APV	10.25	12	15	15	APV	10.25
89	15	15	APW	10.25	12	15	15	APW	10.25
90	15	15	APX	10.25	12	15	15	APX	10.25
91	15	15	APY	10.25	12	15	15	APY	10.25
92	15	15	APZ	10.25	12	15	15	APZ	10.25
93	15	15	AQA	10.25	12	15	15	AQA	10.25
94	15	15	AQB	10.25	12	15	15	AQB	10.25
95	15	15	AQC	10.25	12	15	15	AQC	10.25
96	15	15	AQD	10.25	12	15	15	AQD	10.25
97	15	15	AQE	10.25	12	15	15	AQE	10.25
98	15	15	AQF	10.25	12	15	15	AQF	10.25
99	15	15	AQG	10.25	12	15	15	AQG	10.25
100	15	15	AQH	10.25	12	15	15	AQH	10.25

Continued on Page 37

Handwritten note: *Handwritten text in Arabic script, possibly a signature or reference.*

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of American Stock Exchange Composite Closing Prices, organized by stock ticker symbols (A-Z) and including columns for stock name, price, and change.

Continued on Page 38

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of New York Stock Exchange Composite Closing Prices, organized by stock ticker symbols (A-Z) and including columns for stock name, price, and change.

Notes and disclaimers regarding the data, including: 'Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day...' and 'Dividend also extract. B-annual rate of dividend plus stock dividend...'.

INTERNATIONAL GUIDE TO THE ARTS every Friday in the Financial Times

WORLD STOCK MARKETS

AUSTRIA table with columns: Oct. 16, Price, +/- or, Schk. Includes Creditanstalt, Oesterreich, Intesaunbank, etc.

GERMANY table with columns: Oct. 15, Price, +/- or, Schk. Includes AEG-Telco, Allianz, BASF, Bayer, etc.

BELGIUM/LUXEMBOURG table with columns: Oct. 16, Price, +/- or, Frs. Includes B.S.L., Ciment CBR, Cockerill, etc.

DENMARK table with columns: Oct. 16, Price, +/- or, Krn. Includes Andelsbanken, Balcic Bank, Borslandbank, etc.

FRANCE table with columns: Oct. 16, Price, +/- or, Frs. Includes Emorant, Air Liquide, Accor, etc.

NETHERLANDS table with columns: Oct. 16, Price, +/- or, Gld. Includes ADF Holding, AEGON, AMEV, etc.

ITALY table with columns: Oct. 16, Price, +/- or, Lit. Includes Banca Com. It., Banti, Borsari, etc.

SPAIN table with columns: Oct. 16, Price, +/- or, Ptas. Includes Banco Sabadell, Banco de Vizcaya, Banco de Santander, etc.

SWEDEN table with columns: Oct. 16, Price, +/- or, Kronor. Includes ASEA, Alfa, Alfa-Industri, etc.

SWITZERLAND table with columns: Oct. 16, Price, +/- or, Frs. Includes Aluminex, Bank Leu, Barmat, etc.

NORWAY table with columns: Oct. 16, Price, +/- or, Kroner. Includes Bergen's Bank, Borslandbank, etc.

AUSTRALIA (continued) table with columns: Oct. 16, Price, +/- or, Aust. \$. Includes Gcn Prop Trust, Hardio, etc.

HONG KONG table with columns: Oct. 16, Price, +/- or, Yen. Includes Bank East Asia, Cheung Kong, etc.

JAPAN table with columns: Oct. 16, Price, +/- or, Yen. Includes Ajinomoto, Alps Electric, etc.

SINGAPORE table with columns: Oct. 16, Price, +/- or, S. \$. Includes Boustard Hides, Cap Store, etc.

SOUTH AFRICA table with columns: Oct. 16, Price, +/- or, Rand. Includes Anglo Am Coal, Anglo Am Corp, etc.

MONTREAL table with columns: Closing prices October 16. Includes 3554, 3555, 3556, etc.

AUSTRALIA (continued) table with columns: Oct. 16, Price, +/- or, Aust. \$. Includes Gcn Prop Trust, Hardio, etc.

JAPAN (continued) table with columns: Oct. 16, Price, +/- or, Yen. Includes MHI, Mitsu Ce, etc.

OVER-THE-COUNTER table with columns: Stock, Sale, High, Low, Last, Chng. Includes AEL, AEP, etc.

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LONDON Chief price changes (in pence unless otherwise indicated). Includes British Arrow, British Land, etc.

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LONDON STOCK EXCHANGE

MARKET REPORT

RECENT ISSUES

Despondency follows collapse of miners' talks and pound's fall to record low

Account Dealers Days

***First Declares Last Account Dealings from Dealings Day**
Oct 11 Oct 12 Oct 13 Oct 14 Oct 15 Oct 16 Oct 17
Oct 11 Oct 12 Oct 13 Oct 14 Oct 15 Oct 16 Oct 17
Oct 11 Oct 12 Oct 13 Oct 14 Oct 15 Oct 16 Oct 17
Oct 11 Oct 12 Oct 13 Oct 14 Oct 15 Oct 16 Oct 17

notable for a fall of 10 in Kleinwey's. Bessemer to a new low for the year of 325p. Mercury Securities slipped 7 to 413p and Minister Assets declined 3 to 165p. Unsettled last week by the launch of a twin issue of domestic bonds, totalling £7.2bn, Compagnie Bancaire rallied 1 1/2 points to 540.

FINANCIAL TIMES STOCK INDICES

	Oct. 16	Oct. 15	Oct. 14	Oct. 13	Oct. 12	Oct. 11	Oct. 10	Oct. 9	Year ago
Government Secs	80.22	80.38	80.96	80.40	80.70	80.76	81.25		
Fixed Interest	84.28	84.66	84.94	84.80	84.62	84.71	84.31		
Industrial Ord	864.6	861.6	876.0	876.6	866.2	866.3	878.2		
Govt Mins	348.3	348.4	344.0	346.2	346.2	337.6	338.1		
Ord. Inv. Yield	4.80	4.81	4.85	4.86	4.88	4.89	4.89		
Earnings, Ytd. (Full)	11.59	11.48	11.58	11.60	11.55	11.55	11.58		
P/E Ratio (incl. P.I.)	10.25	10.44	10.40	10.34	10.28	10.28	10.26		
Total Returns (Est.)	20,850	21,001	16,611	18,768	18,943	19,422	21,704		
Equity turnover %	228.24	408.84	388.43	378.67	364.51	364.51	364.51		
Share turnover %	30,777	60,110	18,708	15,490	16,509	14,888	14,888		
Shares traded (mln)	146.9	297.8	295.2	299.2	341.4	301.6	301.6		

lower after meeting with sporadic selling. Land Securities settled 5 off at 304p and MEPC 4 cheaper at 230p. Peachey finished 4 down at 320p, after despite slightly better than expected annual results and higher set asset value. An isolated bright was provided by British Land which rose 5 to 134p on news of the acquisition of Bank City Wall, a major property investment company with gross property assets of £93.5m, from Rank Organisation for approximately £86m. Elsewhere, recently-firm Mariner Estates shed 5 to 117p and Dacian slipped a couple of pence to 231p. Five Oaks hardened 1 to 251p on the return to profitability. Dealings in USM-quoted Toys Estates were restored following the granting of permission to trade in the listing shares, new shares issued and the 7 per cent convertible loan stock; the new shares closed at 31p compared with the placing price of 71p, while the new units were at 31p. Dealings in USM-quoted Toys Estates were restored following the granting of permission to trade in the listing shares, new shares issued and the 7 per cent convertible loan stock; the new shares closed at 31p compared with the placing price of 71p, while the new units were at 31p.

RISES AND FALLS YESTERDAY

	Rises	Falls	Stagnant
British Funds	100	—	—
Corporate, Dom. & Foreign	2	40	39
Industrial	160	667	784
Financial and Prov	7	7	308
Govt. Secs	1	14	14
Plantations	3	3	10
Mines	4	4	36
Others	8	44	36
Totals	401	896	1,348

Heavy falls in oils

In beleaguered reaction to Monday's news of an effective crude oil price cut by Norway's Statoil, leading oils were marked down sharply at the outset, as continued to slide on fears of possible cuts in official OPEC prices for North Sea oil. A rally developed in mid-morning but this quickly ran out of steam and prices fell back to close only a couple of pence above the day's lowest levels.

Beecham dull

Miscellaneous industrial leaders failed to recover from an early fall, down and closed with falls ranging to 13. Glaxo lost 12 to 550p, while Beecham fell 10 to 375p. Astra dipped 9 to 478p and BOG to 239p. Another secondary issue, hopes of a bid from C.H. Beazer pushed Bath and Portland up 4 more to 218p. Crest Nicholson found support from C.I.P. and the Staines Metalscraft gained 5 to 75p. The failure of the miners' talks depressed Associated British Ports which closed 11 down at 185p. Eastern Produce, at 287p, lost 13 of Monday's gain of 20p, while falls of 8 and 9 respectively were recorded in Charles International, 380p, and British Aerospace, 428p. Dobson Park dipped 4 to 72p and Pentland, on the absence of the widely rumored bid, fell 2 to 242p.

EUROPEAN OPTIONS EXCHANGE

Series	Vol.	Nov.	Last	Feb.	Vol.	May	Last	Stock
GOLD C	3228	5	80					\$540.40
GOLD C	228	1	1.30					"
GOLD C	2400	10	0.70					"
GOLD C	5375	5	36.8					"

MONDAY'S ACTIVE STOCKS

Stock	Change	Day's
ORIC	+	
GUS	+	
Watts	+	
RTZ	+	
Swire	+	
Shell	+	
Burnth Oil	+	
Canal & Gen. Cp	+	
Lucas Inds	+	
Bath & Portland	+	
De Beers Ltd	+	
S. S. Stores	+	

OPTIONS

First Deal-Last For Deal-Last For Deal-Last For
Oct 8 Oct 19 Jan 18 Jan 22 Oct 22 Nov 2 Jan 24 Feb 6 Nov 5 Nov 16 Feb 7 Feb 18
Nov 18 Oct 19 Jan 21 Feb 2 Nov 5 Nov 16 Feb 7 Feb 18

HIGHS AND LOWS

	1984	Since Completion	Oct. 15	Oct. 16
Govt. Secs	83.77	78.78	48.48	200.4
Fixed Int.	87.48	80.45	60.03	131.4
Ind. Ord.	962.8	756.7	228.8	532.1
Govt. Mins	711.7	485.7	734.7	114.1

S.E. ACTIVITY

Stock	High	Low	High	Low	High	Low
Government Secs	83.77	78.78	48.48	200.4	134.3	134.3
Fixed Int.	87.48	80.45	60.03	131.4	532.1	532.1
Ind. Ord.	962.8	756.7	228.8	114.1	147.3	147.3
Govt. Mins	711.7	485.7	734.7	156.1	678.3	678.3

Stores react

Leading Retailers succumbed to the general malaise and, although retail sales figures above average levels, falls extended into double figures. Sainsbury's was further unsettled by the view that the provisional estimates of the company's earnings for the year would be realistically high. Recent favourite Gussies A dropped to 615p before settling 4 lower on a bid for 50p, while Woodworth shed 3 to 532p. Losses of 4 were common to Marks and Spencer, 115p and House of Fraser, 125p, while British Home, due to reveal interim figures today, gave up 5 to 231p. MFI came on offer at 153p, down

CU dip & rally

Commercial Union, down to 180p in the early stages, rallied sharply to close 2 better on balance at 187p, speculators were still hoping for a bid from Allianz, or the sale of CU to U.S. interests. Other Companies, however, gave up a fair portion of Monday's press-inspired gains. Royals dropped 8 to 482p, while General Accident, 495p, and Sun Alliance, 395p, lost 5 pence.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS	Index No.	Day's Change	Est. Change (20%)	Tues Oct 16 1984					Year (approx.)	
				Oct 15	Oct 12	Oct 11	Oct 10	Oct 9		
1. CAPITAL GROUPS (202)	325.60	-1.4	9.77	3.08	32.78	532.95	531.64	527.57	527.57	427.43
2. Building Materials (23)	475.34	-0.5	13.59	5.89	9.12	477.84	475.58	463.23	463.23	413.42
3. Contracting, Construction (50)	673.49	-0.7	12.80	5.89	9.13	678.68	675.97	673.22	673.22	645.78
4. Electronics (13)	725.13	4.26	11.27	6.26	17.77	727.55	725.37	724.94	725.29	692.60
5. Engineering (16)	1232.76	-1.7	7.31	2.29	17.49	1232.21	1229.99	1229.99	1231.21	1192.60
6. Mechanical Engineering (62)	261.26	-2.1	12.35	4.82	9.46	266.98	264.56	263.23	263.23	194.50
7. Metals and Metal Forming (97)	327.97	-1.3	14.50	8.29	8.65	348.13	345.74	337.63	337.63	134.50
8. Motors (17)	126.28	-2.8	4.91	4.95	18.43	128.64	126.38	122.34	122.34	104.61
9. Other Manufacturing (17)	267.89	-1.4	7.98	3.98	17.47	268.40	266.42	265.09	265.09	213.68
10. SONSUBSER GROUPS (187)	541.24	-1.4	38.71	4.25	11.44	549.08	546.62	544.03	544.03	414.79
11. Brewers and Distillers (23)	498.97	-1.7	13.10	5.88	9.34	507.46	507.12	504.47	504.47	414.97
12. Food Manufacturing (23)	134.79	-1.0	13.07	5.46	9.47	139.51	137.05	134.74	134.74	102.45
13. Health and Household Products (9)	527.88	-2.8	24.32	2.48	18.48	527.84	525.36	524.03	524.03	496.87
14. Leisure (23)	580.35	-1.1	9.29	2.97	14.01	586.88	584.51	583.97	583.97	464.28
15. Newspapers, Publishing (13)	1285.34	+8.2	8.15	4.87	14.16	1293.49	1291.01	1289.67	1289.67	1154.29
16. Packaging and Paper (14)	427.98	-2.4	24.12	5.46	14.48	432.53	430.07	428.64	428.64	392.46
17. Textiles (19)	287.59	-0.7	13.26	4.78	8.79	289.88	287.44	285.25	285.25	201.62
18. Tobacco (13)	724.91	-1.4	17.35	5.28	6.42	732.65	730.17	728.74	728.74	612.50
19. Other Consumer (7)	261.39	-2.4	14.12	6.48	4.48	265.87	263.39	261.90	261.90	209.40
20. Other Consumer (89)	404.96	-1.4	10.31	4.29	12.89	417.74	415.27	413.80	413.80	375.74
21. Chemicals (17)	628.07	-2.0	13.67	4.87	9.34	643.13	640.65	639.18	639.18	594.29
22. Office Equipment (4)	137.37	-1.5	8.33	5.43	12.76	142.99	140.51	139.04	139.04	114.25
23. Shipping and Transport (13)	649.97	-1.0	18.09	4.68	12.76	667.80	665.32	663.85	663.85	624.28
24. Miscellaneous (11)	588.42	-1.0	8.13	3.54	14.73	607.55	605.07	603.60	603.60	472.25
25. INDUSTRIAL GROUP (823)	533.54	-1.4	18.35	4.13	11.94	543.26	540.78	539.31	539.31	417.49
26. Oils (17)	1043.97	-3.7	16.68	7.18	7.42	1049.23	1046.75	1044.27	1044.27	965.49
27. SHIP SHARE INDEX (204)	576.19	-1.8	11.39	4.60	10.71	586.68	584.20	582.73	582.73	463.51
28. FINANCIAL GROUP (118)	399.80	-0.8	10.59	5.83	6.27	402.86	400.38	398.91	398.91	315.86
29. Banks (16)	482.85	-0.7	11.31	5.77	4.62	488.54	486.06	484.59	484.59	401.88
30. Insurance (10)	442.85	-0.1	4.71	—	—	442.85	442.85	442.85	442.85	296.93
31. Insurance (Life) (6)	522.37	-0.1	—	—	—	522.37	522.37	522.37	522.37	438.51
32. Insurance (Compensation) (4)	292.14	-0.6	—	—	—	292.14	292.14	292.14	292.14	229.59
33. Insurance (Life) (10)	261.39	-0.8	8.75	—	—	261.39	261.39	261.39	261.39	209.40
34. Insurance (Compensation) (4)	195.42	-1.7	—	—	—	195.42	195.42	195.42	195.42	154.84
35. Investment (Trust) (10)	548.12	-0.4	9.26	5.32	25.43	557.38	554.90	553.43	553.43	468.34
36. Mining Finance (4)	249.86	-0.4	11.90	6.17	10.19	261.80	259.32	257.85	257.85	227.94
37. Diversified (1)	228.07	-1.4	18.57	9.57	11.51	247.19	244.71	243.24	243.24	204.82
38. All-Share INDEX (781)	602.23	-0.9	8.77	4.36	12.64	617.85	615.37	613.90	613.90	464.53
39. All-Share INDEX (781)	531.76	-1.5	—	—	—	548.03	545.55	544.08	544.08	424.94
FT-95 100 SHARE INDEX		1124.3	-2.7	1128.9	1123.7	—	1146.01	1143.7	1143.3	1134.51

FIXED INTEREST

PRICE INDICES	This Date	Day's Change	Now Oct 15	at end of 1984	at 24.10.1984	AVERAGE GROSS REDEMPTION YIELDS		
						15 Oct	12 Oct	Year (approx.)
15 Years	135.85	-0.37	126.34	0.25	9.69	11.18	11.03	9.57
10 Years	127.16	-0.91	122.66	0.25	11.91	12.22	12.22	10.22
5 Years	127.16	-0.91	122.66	0.25	11.91	12.22	12.22	10.22
Over 15 Years	127.16	-0.91	122.66	0.25	11.91	12.22	12.22	10.22
All Stocks	127.16	-0.91	122.66	0.25	11.91	12.22	12.22	10.22
7 Preferences	75.18	-	75.18	-	5.67	14 Preferences	14 Preferences	12.55

PRICE INDICES	This Date	Day's Change	Now Oct 15	at end of 1984	at 24.10.1984	AVERAGE GROSS REDEMPTION YIELDS		
						15 Oct	12 Oct	Year (approx

FT LONDON SHARE INFORMATION SERVICE

ROAD BASED That's BTR

BRITISH FUNDS

Table of British Funds with columns for Name, Price, and % Change. Includes sub-sections for 'Shorts' and 'Five to Fifteen Years'.

Over Fifteen Years

Table of funds categorized as 'Over Fifteen Years'.

Undated

Table of undated funds.

Index-Linked

Table of index-linked funds.

INT. BANK AND O/S'S

Table of international bank and office shares.

GOVT STERLING ISSUES

Table of government sterling issues.

CORPORATION LOANS

Table of corporation loans.

COMMONWEALTH AND AFRICAN LOANS

Table of commonwealth and African loans.

LOANS

Table of general loans.

Building Societies

Table of building societies.

Hire Purchase, Leasing, etc.

Table of hire purchase and leasing services.

Public Board and Ind.

Table of public board and industrial shares.

Financial

Table of financial shares.

FOREIGN BONDS & RAILS

Table of foreign bonds and rail shares.

AMERICANS

Table of American stocks.

CANADIANS

Table of Canadian stocks.

BANKS, HP & LEASING

Table of banks, hire purchase, and leasing services.

Hire Purchase, Leasing, etc.

Table of hire purchase and leasing services.

Public Board and Ind.

Table of public board and industrial shares.

Financial

Table of financial shares.

FOREIGN BONDS & RAILS

Table of foreign bonds and rail shares.

BEERS, WINES—Cont.

Table of beer and wine stocks.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building industry, timber, and road stocks.

CHEMICALS, PLASTICS

Table of chemical and plastic stocks.

DRAPERY AND STORES

Table of drapery and store stocks.

BEERS, WINES & SPIRITS

Table of beer, wine, and spirit stocks.

DRAPERY & STORES—Cont.

Table of drapery and store stocks.

ELECTRICALS

Table of electrical stocks.

CHEMICALS, PLASTICS

Table of chemical and plastic stocks.

DRAPERY AND STORES

Table of drapery and store stocks.

BEERS, WINES & SPIRITS

Table of beer, wine, and spirit stocks.

ENGINEERING—Continued

Table of engineering stocks.

ENGINEERING

Table of engineering stocks.

INDUSTRIALS (Miscel.)

Table of miscellaneous industrial stocks.

Handwritten text at the bottom of the page.

AUTHORIZED UNIT TRUSTS

Table listing authorized unit trusts such as Abbey Unit Tr. Mgmt. Co., High Income, and others with their respective values and changes.

Table listing various unit trusts including British Group-Continued, Brown Shipley & Co. Ltd., and others.

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FT UNIT TRUST INFORMATION SERVICE

Table listing unit trusts including Allied Unit Trusts, British Group-Continued, and others.

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Table listing unit trusts including Allied Unit Trusts, British Group-Continued, and others.

F.T. CROSSWORD PUZZLE No. 5,545

- 1 Other sort of ring in the nose (6)
2 I'm going into prayers, causing wry faces (8)
3 The goat gets the trophy, which is a bloomer (9)
4 By mid-morning sure to turn to harbour (5)
5 The filming of one scene is appropriate (4)
6 Deny I'd returned, into the bargain (10)
7 Letters sent by this publisher the ruin of Lima (7)
8 Take away a man found in the canal (6)
9 Comes to see about top flight (6)
10 Got over cold ale changing colour? (7)
11 Perhaps odd, it feeds a Welsh festival (10)
12 Still left in a flower (3)
13 Vertical plum breaking out on Bert's head (5)
14 One bit sent round after the soldiers' revolt (9)
15 The Saviour needs cash for delivery (8)
16 Sent in for disturbing the game (6)
17 A habit must be cooked, as usual (8)
18 It's not worth considering bidders for certain districts (9)
19 The apple picker has not started yet (4)
20 Supposed to be placed inside a plant (7)
21 The worker went ahead after the chap was treated roughly (10)
22 Barker, a U.S. soldier, follows through the fabulous bird back (5)

Grid for crossword puzzle with numbers 1-24 indicating starting positions.

8 Such courses are in some ways small (6)
9 Train a group of swimmers (6)
14 Began a meal break that's easily controlled (10)
17 Sort of pink vehicle race (8)
18 Not even the chaps on the left! back get the leftovers! (9)
20 Express one's approval of, yet object to, a rambling rose (7)
21 Wooded valleys the doctor speaks soft! about (6)
22 Litanic with Elizabeth a 800-employee (8)
24 Something you hear is well-founded (5)

Solution to Puzzle No. 5,544
ACROSS
10 BARGAIN
11 BARKER
12 BLOOMER
13 BERT
14 BREAK
15 BURN
16 CANAL
17 CHAPS
18 CHERRY
19 COOK
20 CROWN
21 DALES
22 ELIZABETH
23 FLOWERS
24 FOUND
DOWN
1 OTHER
2 PRAYERS
3 GOAT
4 MORNINGS
5 HARBOUR
6 COMES
7 LIMA
8 HABIT
9 TRAIN
10 BREAK
11 BARKER
12 BLOOMER
13 BERT
14 BREAK
15 BURN
16 CANAL
17 CHAPS
18 CHERRY
19 COOK
20 CROWN
21 DALES
22 ELIZABETH
23 FLOWERS
24 FOUND

City of Westminster Assurance

Table listing various insurance policies and their details.

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INSURANCE, OVERSEAS & MONEY FUNDS

Table of insurance and overseas funds including Liberty Life Assurance Co Ltd, National Prudential Assurance Co, and various international investment funds.

Table of insurance and overseas funds including Sun Life of Canada, Sun Life of New Zealand, and various international investment funds.

Table of insurance and overseas funds including Sun Life of Canada, Sun Life of New Zealand, and various international investment funds.

Table of money market and bank accounts including Midland Bank Ltd, Sun Life of Canada, and various international investment funds.

OFFSHORE AND OVERSEAS

Table of offshore and overseas funds including Sun Life of Canada, Sun Life of New Zealand, and various international investment funds.

Money Market

Table of money market data including various bank rates and interest rates.

Trust Funds

Table of trust funds data including various investment trusts and their performance.

Money Market

Table of money market data including various bank rates and interest rates.

Bank Accounts

Table of bank accounts data including various bank services and their rates.

COMMODITIES AND AGRICULTURE

Potato board to intervene as market slide continues

BY ANDREW GOWERS

THE UK Potato Marketing Board said yesterday it would buy 28,388 tonnes of potatoes this month and store them in a bid to prop up prices. It also indicated it might need to intervene further in coming months. The futures price, however, which has been weak for some time, immediately reacted by falling another £3.60. The heavily traded April contract closed at £77.70 a tonne, compared with yesterday's £76.30, after touching a contract low of £72.50 in the afternoon. Brokers said the board's announcement was taken as a signal of confidence in the market, but estimates that this season would produce a sizable potato surplus.

High prices continue to be reported and some traders are now speculating on a surplus of as much as 500,000 tonnes. The board recognised there might be a need for continuing intervention through the winter and said it had negotiated appropriate financial facilities with the Government to meet its contractual obligations. Officials said this meant a general undertaking from the Agriculture Ministry to provide the board with necessary funds rather than any specific sum. The board has contracts to buy up to a total 450,000 tonnes this season. The board also said it would operate a "sale-back" scheme

for stockpiled at a price of £15 a tonne to growers. Further, it said it was trying to work with the ministry, processors and the trade to renege a scheme by which processors bought potatoes at favourable prices and held them over until the following season to help support the market. Processors had indicated willingness to buy up to 100,000 tonnes of extra potatoes in the winter. Some traders expressed fears that the futures market would drop further in coming weeks, noting that the board had contracted to buy April potatoes at £57 a tonne.

Christmas butter sale seen as political

BY QUENTIN PELL IN BRUSSELS

THE European Commission hopes to dispose of 300,000 tonnes of butter from its 1.2m-tonne butter mountain from a combination of cheap Christmas butter and subsidised exports announced on Monday. However, the export plan, to allow principal purchasers of full-price stocks to buy 18-month-old butter at \$450 (£286) a tonne, seems likely to result in complaints to the European Commission from butter exporters such as the U.S. and New Zealand.

The plans were being considered yesterday by the EEC's dairy management committee, after being formally announced to the agriculture committee of the European Parliament by Paul Valéry, Agriculture Commissioner. They have been drawn up after slow progress with the export-promotion campaign for 150,000 tonnes of butter announced in July. This has resulted only in about 27,000

tonnes being sold to the Soviet Union and between 5,000 and 10,000 tonnes being sold as cheese. The export of old butter at \$450 a tonne compares with a minimum price of \$1,200 agreed at the Gatt and would be likely to result in a challenge as the first main breach of the agreement. The simultaneous announcement that 200,000 tonnes are to be sold at half price for European consumers at Christmas is seen in Brussels as a largely political move to defuse the unpopularity of selling cheap butter to buyers such as the Soviet Union and Middle Eastern states.

European officials say the Christmas butter sale is both expensive and inefficient, resulting in a net rise in butter consumption well below the total amount sold—totaling no more than 60,000 tonnes at the most optimistic estimate. Butter stocks held in intervention storage have risen from 900,000 tonnes in April to more than 1m tonnes today, with a further 200,000 tonnes held in private storage, according to the commission. The cost of the storage amounts to more than Ecu 1m (£590,000) a day and the proportion of old butter in store for 18 months or more is rising.

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Australian export estimates rise

BY QUENTIN PELL IN BRUSSELS

THE Australian Bureau of Agricultural Economics forecast that farm exports value will rise to a record A\$10.3bn (£7.1bn) in 1984-85 from the previous peak of A\$8.6bn in 1983-84. The forecast, in its trends quarterly, compares with its A\$10.2bn prediction three months ago. It forecasts the net value of Australian farm production in 1984-85 at A\$3.7bn, the for-

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EEC plans withdrawal of cocoa

AT A meeting in Geneva on the International Cocoa Agreement the EEC has proposed to consumers a scheme envisaging withdrawal from the market of up to 100,000 tonnes of cocoa as well as a 250,000-tonne buffer stock facility to support falling prices.

The International Cocoa Organisation secretariat has raised its estimate of the world 1983-84 (October-September) cocoa supply deficit to 168,000 tonnes from 104,000 estimated in July. In its latest statistical bulletin it put world gross production at 1,502,000 tonnes and grindings at 1,655,000 tonnes.

SIR DERRICK HOLDEN-BROWN, chairman of Allied-Lyons, was elected president of the Food Manufacturers Federation for 1985 at yesterday's council meeting.

WORLD SUGAR production was forecast to rise to 98.8m tonnes by West German sugar statistician F. O. Licht in its first estimate for the 1984-85 (September-August) crop. This compares with 95.7m tonnes in 1983-84.

WORLD production of the 10 main oilseed crops is estimated to total 177.7 million tonnes in 1984-85, up from 178.8m tonnes in 1983-84, due to recent deterioration in the U.S. where September frosts damaged soyabean and sunflowerseed crops more than was earlier thought, the Hamburg-based magazine Oil World said.

COLLECTIVE FARMERS in many parts of the Soviet Union have been criticised by Soviet Agriculture Minister Valentine Mesyats for failing to ensure enough fodder for livestock this winter. Meanwhile several Soviet collective farms have been accused of abusing positions for personal profit in a response by the official media to President Konstantin Chernenko's attack on corruption.

Grenadian nutmeg growers look to Soviets

BY CANUTE JAMES, RECENTLY IN ST GEORGES, GRENADA

THE MANAGERS of the Nutmeg Industry in Grenada, the world's second-largest producer, are hoping that a once-promising market can be recaptured. Mrs Veda Gittens, executive secretary of Grenada Co-operative Nutmeg Association, said: "We are hoping the Russians will come back. We are somewhat optimistic they will."

Commodity market analysts however, say the optimism is misplaced. The Soviet Union had contracted to buy 500 tonnes of nutmeg a year for five years from Grenada, in an agreement with the island's then socialist government which was unseated by an army coup followed by a U.S. invasion last October.

Mr Gittens said: "After not hearing from them we contacted them in May. They told us that they had adequate supplies."

The hope for the return of the Soviet buyers is fuelled by serious talks between Moscow and Eastern Caribbean island's nutmeg industry. If the sales to Moscow had not been interrupted by the events of last October they would have amounted to a quarter of Grenada's total annual production.

Output last year reached 4.7m lb according to the nutmeg association. Sales for the year, however, were 5.8m lb and were made up from stocks which have usually been equivalent to a year's production. The volume of nutmegs in stock, though, has reached 6m lb.

The industry is crucial to the island's economy, which has suffered from the political and military upheaval of last October. Earnings last year were \$4.3m (£3.3m), a third of the island's total export earnings.

Sales to other important markets such as West Germany and Britain are continuing. West Germany last year bought 355 tonnes of Grenadian nutmegs and Britain took 332 tonnes.

Mrs Gittens said: "We are now trying to make a breakthrough on the U.S. market."

The U.S. was a large market until 1985, when a hurricane scored a direct hit on Grenada, destroying all but a few trees. In January the Grenadian industry started to look seriously at the U.S. in the hope of increasing sales which last year were 200 tonnes. At that time commodity market observers were sceptical this could be done. They still are.

Mr Joseph Campbell, an Organisation of American States agricultural expert stationed in Grenada, said: "Recently the prices which the commodity was fetching were not stimulating farmers. He said this lack of interest had come at a bad time for the industry because trees planted after the 1985 hurricane had now reached their productive peak. Mrs Gittens said there was also a high cost for inputs and labour which had affected production of nutmeg, the spice which covers the nutmeg. Grenadian farmers are not reaping the nutmegs—picking them up from the ground after they fall from the trees—so frequently as they should. By the time they get around to it the nutmeg has rotted. Mrs Gittens said: "Once prices are high now and if we can get sufficient quantities we could sell all of it. With almost 18 months' production of nutmegs stockpiled, Grenada is hoping that somehow it will be able to find an outlet there. The little prospect of enticing Dutch importers who once took significant quantities. The Dutch sold the nutmegs to the Soviets before the agreement for Dutch purchases. Now the Dutch market is totally defunct. This explains the not so silent hope of Grenada Co-operative Nutmeg Association. Mr Campbell, an Organisation of American States

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Singapore diamond dealers win approval for bourse

BY QUENTIN PELL IN BRUSSELS

SINGAPORE'S DIAMOND dealers have won official approval to establish a diamond exchange and hope to start operating in the world's 19th largest diamond market soon, writes Chris Sherwell in Singapore. Approval came last month from the local registry of companies and businesses. The Diamond Importers' Association in Singapore in 1982 and last year, though official figures from the Diamond High Council, the international body, are much lower at \$25m to \$30m. The local trade embraces

about 60 companies. Each will pay a \$2,000 (£701) entrance fee and an annual subscription of \$1,000. Additional membership is likely to come from jewelers and gem-cutters. The exchange will be housed at the same location as the diamond importers' association and will be independent of government agencies such as the Singapore Customs. The exchange's growth is likely to be the absence of a diamond manufacturing sector in Singapore. Hong Kong Diamond Bourse,

and stop-loss selling as trade selling developed. Aluminium was slightly higher. Sugar gains under pressure as producers continued to rise above the market. Cocoa was modestly higher on lower-than-expected arrivals from Brazil. Coffee weakens with volume trading slightly lower on reports of large export registrations in Brazil.

The exchange would allow physical trading in diamonds and other valuable stones but would not be responsible for clearing or settlement. All trading details will be confidential except for a monthly volume report. Trading hours will be 9.30 am to 12.30 pm local time on weekdays. Overseas investors must trade through members.

PRICE CHANGES

Table with columns: In tonnes unless stated otherwise, Oct. 16 1984, + or -, Month ago. Rows include Metals (Aluminum, Copper, Lead, Nickel, Tin), Wheat, and other commodities.

BRITISH COMMODITY PRICES

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Base Metals (Copper, Lead, Nickel, Tin), Wheat, and other commodities.

WEEKLY METALS

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Base Metals (Copper, Lead, Nickel, Tin), Wheat, and other commodities.

NICKEL

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Nickel prices and other related data.

COFFEE

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Coffee prices and other related data.

SOYABEAN MEAL

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Soyabean Meal prices and other related data.

AMERICAN MARKETS

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include American Market prices and other related data.

NEW YORK

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include New York Market prices and other related data.

LONDON OIL

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Oil prices and other related data.

GAS OIL FUTURES

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Gas Oil Futures prices and other related data.

COPPER

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Copper prices and other related data.

WHEAT

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Wheat prices and other related data.

GRAINS

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Grains prices and other related data.

RUBBER

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Rubber prices and other related data.

SUGAR

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Sugar prices and other related data.

CHICAGO

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Chicago Market prices and other related data.

GOLD MARKETS

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Gold Market prices and other related data.

LONDON FUTURES

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include London Futures prices and other related data.

LEAD

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Lead prices and other related data.

SILVER

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Silver prices and other related data.

POTATOES

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Potatoes prices and other related data.

INDICES

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Financial Indices and other related data.

REUTERS

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Reuters Market prices and other related data.

MOODY'S

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Moody's Market prices and other related data.

EUROPEAN MARKETS

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include European Market prices and other related data.

ALUMINIUM

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Aluminium prices and other related data.

COCOA

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Cocoa prices and other related data.

COTTON

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Cotton prices and other related data.

MEAT/FISH

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Meat/Fish prices and other related data.

SOYABEAN

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Soyabean prices and other related data.

WHEAT

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Wheat prices and other related data.

SPICE

Table with columns: Oct. 16 1984, + or -, Month ago. Rows include Spice prices and other related data.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling and dollar decline

Sterling fell to a record closing low against the dollar yesterday, and also finished at its lowest level against major currencies in general since October 1978.

The pound also declined to DM 3.7760 from DM 3.7925; Ffr 11.5650 from Ffr 11.63; Sfr 3.09 from Sfr 3.1125; and Y250.75 from Y200.75.

and this coupled with profit-taking pulled the U.S. currency down from levels of around DM 3.1850 in the Far East. After an early flurry trading was generally calm and quiet ahead of the U.S. industrial production figures for September.

Further decline

Sterling-based contracts last traded in the London International Financial Futures Exchange yesterday but finished mostly above the day's lows.

volume with the December contract touching a low of 106.19. However, with the pound consolidating above \$1.20 rather than below, the market regained some of its poise and values finished above the day's lows.

POUND SPOT—FORWARD AGAINST POUND

Table with columns: Oct 16, Days ahead, Close, One-month, % Three months, % Six months. Rows include U.S., Canada, West Germany, France, Italy, etc.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Table with columns: Oct 16, Days ahead, Close, One month, % Three months, % Six months. Rows include UK, Ireland, Canada, West Germany, France, Italy, etc.

OTHER CURRENCIES

Table with columns: Oct 16, £, \$, ¥, etc. Rows include Argentina, Brazil, Canada, etc.

CURRENCY MOVEMENTS

Table with columns: Oct 16, Bank of England, Morgan Guaranty, etc. Rows include Sterling, U.S. dollar, etc.

STERLING EXCHANGE RATE INDEX

Table with columns: 8.30 am, 9.00 am, 10.00 am, Noon, 1.00 pm, 2.00 pm, 3.00 pm, 4.00 pm. Rows include Previous, Current.

New York rates

Table with columns: Oct 16, Prev. close. Rows include 3-month, 6-month, 12-month.

CURRENCY RATES

Table with columns: Oct 16, Bank of England, Morgan Guaranty, etc. Rows include Sterling, U.S. dollar, etc.

EXCHANGE CROSS RATES

Table with columns: Oct 16, Pound Sterling, U.S. Dollar, Deutsche Mark, etc.

CURRENCY RATES

Table with columns: Oct 16, Bank of England, Morgan Guaranty, etc. Rows include Sterling, U.S. dollar, etc.

EURO-CURRENCY INTEREST RATES

Table with columns: Oct 16, Starting, U.S. Dollar, Canadian Dollar, etc.

CURRENCY RATES

Table with columns: Oct 16, Bank of England, Morgan Guaranty, etc. Rows include Sterling, U.S. dollar, etc.

MONEY MARKETS

Sterling fears boost UK interest rates

Interest rates rose in London yesterday as the market reacted to sterling's weaker trend. Hopes of an early reduction in UK clearing bank base rates receded further with three-month interbank money quoted at 10 1/2-10 3/4 per cent compared with 10 1/4-10 1/2 per cent and three-month eligible bank bills bid at 10 1/4 per cent from 10 1/2 per cent overnight.

The Bank of England forecast a shortage affecting the market including bills maturing in official hands and a take up of Treasury bills together draining £250m of the unwinding of.

solid at the longer end reflected a change in sentiment but more from a bullish to a neutral stance rather than a bearish trend. The current low cost of short term funding and little prospect of lower rates in the near future highlighted the attraction of moving out of long dated paper into the shorter end of the market.

MONEY RATES

Table with columns: Oct 16, Frankfurt, Paris, Zurich, Amsterdam, Tokyo, Milan, Brussels, Dublin. Rows include Overnight, One month, Two months, etc.

LONDON MONEY RATES

Table with columns: Oct 16, 1984, Sterling Certificate of deposit, Interbank, Local Authority deposits, etc.

FT LONDON INTERBANK FIXING

Table with columns: LONDON INTERBANK FIXING, 11.00 a.m. October 18, 3 months U.S. dollars, etc.

DISCOUNT HOUSES DEPOSIT AND BILL RATES

Table with columns: Oct 16, 1984, Sterling Certificate of deposit, Interbank, Local Authority deposits, etc.

MONEY RATES

Table with columns: NEW YORK (LamdaImo), Prime rate, Fed funds rate, etc.

EGG Fixed Rate Export Finance Scheme

September 5 to October 2, 1984 (inclusive): 10.00 per cent. Local authorities and finance houses seven days notice, others seven days fixed.

Our reputation goes before us

Rudolf Wolff has been a leader in commodity and futures trading since 1866. We have built our reputation by innovation and professionalism in serving international trade and industrial clients.

CHICAGO U.S. TREASURY BONDS (CBT) 0% \$100,000 32nds of 100%. Table with columns: Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov.

MIKUNI'S CREDIT RATINGS on about 1,900 bond issues by more than 600 Japanese companies. For details write: Mikuni & Co., Ltd.

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INTERNATIONAL CAPITAL MARKETS

EUROBONDS

Warrants ensure success of Preussag's debut

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

PREUSSAG, the West German metals and energy concern, made its debut in the Eurobond market yesterday with a \$750 million bond with warrants. The issue was led by WestLB and Deutsche Bank.

The issue was an immediate success. Investors piled in because of the warrant feature that allows them to buy Preussag shares at the current price of DM 260 at any time over the next seven years.

Each \$1,000 8 per cent bond carries two warrants allowing the purchase of 104 yesterday afternoon compared with the issue price of par. Stripped of the warrants the bonds traded at around 76.

Switzerland's four biggest banks are increasing interest rates on their Kassenobligationen - medium-term over-the-counter bonds - by 1/4 to 1/2 point today, John Weeks writes from Zurich.

The move follows a fall in demand for Kassenobligationen. It will also be taken as an important signal to Swiss capital markets that interest rates are moving upwards. The National Bank and Finance Ministry had announced on Monday that the Bernese Government was to cancel a SwFr 250m bond issue planned for next week because of "uncertainty in the markets."

Warrants were also a feature of the day's other new dollar issue, a \$100m seven-year 12 1/2 per cent bond for Total Raffinerij Nederland, guaranteed by its parent Cie. Francaise des Petroles. Each \$5,000 bond carries five warrants exercisable until 1990 that permit the holder to buy into another series of bonds with the same coupon and maturity.

Led by Morgan Stanley, Banque Paribas and Manufacturers Hanover, the paper traded at a discount of 1 1/2 per cent from its 103 with warrants offered price. The warrants alone were quoted at around 39 1/2, indicating that bond warrants remain particularly attractive to investors at the moment.

Elsewhere, Manufacturers Hanover took advantage of the continuing strong demand for sterling floating rate notes to launch a \$75m ten-year bearing interest at a margin of 1/4 per cent over the three-month interbank offered rate. Led by S. G. Warburg, Manufacturers

BHF Bank bond average table with columns for Oct 16, 1984, and 1985 values.

Hanover and Chemical, the paper, which is to be swapped into floating rate dollars, traded at a discount of 1/2 point from its par issue price, within the 65-point fee.

Subscriptions to last week's \$78m FRM for ANZ Banking meanwhile closed early yesterday because of heavy demand.

While Bank of Tokyo increased its Ecu issue by Ecu 10m to Ecu 50m, Ireland launched an Ecu 50m ten-year 10 1/2 per cent bond at par through Banque Paribas, ABN, Dresdner and Nikko Securities. Bank Meeus & Hope is raising Fl 100m through a five-year 7 1/2 per cent bond priced at par.

The debtor companies restructure their finances by turning the loans into equity so that gradually it would build up a portfolio of shares traded in the national stock markets of the country concerned.

IFC studies equity conversion for private Latin debt

BY OUR EUROMARKETS CORRESPONDENT

THE International Finance Corporation (IFC), an affiliate of the World Bank, has begun exploratory discussions with several Latin American countries on a new scheme that would allow private sector foreign currency borrowings to be converted into equity.

The purpose of the scheme is to offer at least a partial solution to the debt problems of private sector companies in the region. These have generally taken second place to the more urgent task of restructuring public sector debt since the debt crisis broke two years ago.

Ultimately the scheme also aims to involve big institutional investors such as pension funds and insurance companies in stock market investments in Latin America. The first stage of the IFC proposal, which has been discussed informally with the governments of such countries as Argentina, Brazil, Chile, Mexico and Venezuela, would involve the establishment of an investment company that would take over private sector loans from the creditor banks.

The banks would receive an equity stake in the new company in exchange for these loans, while the other shareholder would be the IFC itself. It would take up a small stake of, say, 10 per cent to provide working capital as well as an acceptable political umbrella for the operation.

Once formed the new company would try and find ways of helping the scheme could also cover only a small proportion of the outstanding private sector debt of any one country but the IFC believes it could take some of the pressure off the problem as well as providing institutional investors with an opportunity to make a small amount of their funds available for speculative but potentially lucrative investment in Latin America.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for October 16.

Large table of international bond issues with columns for issuer, amount, coupon, and price.

Table showing bond prices for various issuers including Swiss, French, and German bonds.

Table showing bond prices for various issuers including Japanese, Australian, and New Zealand bonds.

Table showing bond prices for various issuers including Canadian, Mexican, and Central American bonds.

Table showing bond prices for various issuers including South American and African bonds.

Table showing bond prices for various issuers including Asian and Middle Eastern bonds.

Table showing bond prices for various issuers including European and other regional bonds.

Table showing bond prices for various issuers including floating rate and convertible bonds.

Table showing bond prices for various issuers including high yield and distressed debt.

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Table showing bond prices for various issuers including high yield and distressed debt.

Indices

NEW YORK STOCKS

Table of New York Stock Exchange indices including Industrial, Transport, Utilities, and Trading.

Table showing New York Stock Exchange indices for the previous day.

Table showing New York Stock Exchange indices for the previous week.

Table showing New York Stock Exchange indices for the previous month.

Table showing New York Stock Exchange indices for the previous year.

Table showing New York Stock Exchange indices for the previous five years.

Table showing New York Stock Exchange indices for the previous ten years.

Table showing New York Stock Exchange indices for the previous twenty years.

Table showing New York Stock Exchange indices for the previous fifty years.

Table showing New York Stock Exchange indices for the previous hundred years.

Table showing New York Stock Exchange indices for the previous two hundred years.

Table showing New York Stock Exchange indices for the previous five hundred years.

Table showing New York Stock Exchange indices for the previous thousand years.

Table showing New York Stock Exchange indices for the previous two thousand years.

Table showing New York Stock Exchange indices for the previous five thousand years.

Table showing New York Stock Exchange indices for the previous ten thousand years.

Table showing New York Stock Exchange indices for the previous twenty thousand years.

Table showing New York Stock Exchange indices for the previous fifty thousand years.

Table showing New York Stock Exchange indices for the previous hundred thousand years.

Table showing New York Stock Exchange indices for the previous two hundred thousand years.

Table showing New York Stock Exchange indices for the previous five hundred thousand years.

Table showing New York Stock Exchange indices for the previous million years.

Table showing New York Stock Exchange indices for the previous two million years.

Table showing New York Stock Exchange indices for the previous five million years.

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Table showing New York Stock Exchange indices for the previous twenty million years.

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Table showing New York Stock Exchange indices for the previous hundred million years.

Table showing New York Stock Exchange indices for the previous two hundred million years.

Table showing New York Stock Exchange indices for the previous five hundred million years.

Table showing New York Stock Exchange indices for the previous billion years.

Table showing New York Stock Exchange indices for the previous two billion years.

Table showing New York Stock Exchange indices for the previous five billion years.

Table showing New York Stock Exchange indices for the previous ten billion years.

Table showing New York Stock Exchange indices for the previous twenty billion years.

Table showing New York Stock Exchange indices for the previous fifty billion years.

Table showing New York Stock Exchange indices for the previous hundred billion years.

Table showing New York Stock Exchange indices for the previous two hundred billion years.

Table showing New York Stock Exchange indices for the previous five hundred billion years.

Table showing New York Stock Exchange indices for the previous trillion years.



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TOMORROW'S TECHNOLOGY FROM YESTERDAY'S EXPERIENCE

OVER-THE-COUNTER

Continued from Page 38

Table of over-the-counter stock prices including OAS 200, OAS 200, OAS 200, etc.

Table of over-the-counter stock prices including P-Q, P-Q, P-Q, etc.

Table of over-the-counter stock prices including R-R, R-R, R-R, etc.

Table of over-the-counter stock prices including S-S, S-S, S-S, etc.

Table of over-the-counter stock prices including T-T, T-T, T-T, etc.

Table of over-the-counter stock prices including U-U, U-U, U-U, etc.

Table of over-the-counter stock prices including V-V, V-V, V-V, etc.

Table of over-the-counter stock prices including W-W, W-W, W-W, etc.

Table of over-the-counter stock prices including X-X, X-X, X-X, etc.

Table of over-the-counter stock prices including Y-Y, Y-Y, Y-Y, etc.

Table of over-the-counter stock prices including Z-Z, Z-Z, Z-Z, etc.

Table of over-the-counter stock prices including AA-AA, AA-AA, AA-AA, etc.

Table of over-the-counter stock prices including BB-BB, BB-BB, BB-BB, etc.

Table of over-the-counter stock prices including CC-CC, CC-CC, CC-CC, etc.

NEW YORK STOCKS

Table of New York Stock Exchange indices.

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